



eircom

HISTORICAL COST SEPARATED ACCOUNTS

FOR THE YEAR ENDED

31 MARCH 2005

**FINANCIAL
STATEMENTS**

eircom Historical Cost Separated Accounts

Regulatory Statements

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***eircom* Historical Cost Separated Accounts**

Introduction

eircom was 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 1 December 1998 to maintain accounting records in a form which enables the activities of any business unit specified in any direction given by the Director of Telecommunications Regulation (“the Director”) to be separately identifiable, and which the Director considers to be sufficient to show and explain the transactions of each of these business units. The historical cost separated accounts for the year ended 31 March 2005 were 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 25 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*’
- D3/03 ‘Review of Price Cap on certain Communications Services’

The Financial Statements have been prepared in accordance with the framework and financial statement disclosure set out in these Decision Notices insofar as they apply to the 2004/2005 Financial Statements.

Introduction (Cont'd.)

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

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

The definitions of the Businesses and Activities are set out in the Financial Statements on pages 74 to 77.

Introduction (Cont'd.)

Accounting Documents

The Financial Statements have been prepared by applying the costing methodology detailed in the Accounting Documents dated 31 August 2005 (“the Accounting Documents”) which set out the framework under which the Financial Statements are to be prepared. These statements should be read in conjunction with the Accounting Documents.

The Accounting Documents consist of the following:

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

Applicable Rate of Return

The applicable Rate of Return used in these Financial Statements is 11.5% (2004: 11.5%). The Rate of Return has been mandated by ComReg in Decision 4.3.4 of Decision Notice D9/00, maintained in 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 (i.e. Local Access Network, Core Network, Retail and Other Business) does not correspond to the way in which the company is organised and hence the way the statutory accounting records are structured. The Financial Statements are therefore prepared by overlaying the requirements of the Decision Notices on the accounting records and management structure of *eircom*.

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

In selecting financial attribution methods and appropriate non-financial data for use within the attribution models employed in the production of financial statements, *eircom* has had to make certain estimates and exercise its judgement, having regard to the regulatory principles, including cost causality and objectivity, in order to comply with the requirements of the Accounting Documents.

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

Introduction (Cont'd.)

Contents of the Financial Statements

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

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

The Financial Statements also include:

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

Statement of Responsibility

for preparing the Financial Statements

eircom was 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 historical cost separated accounts for the year ended 31 March 2005 were 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.

Each Financial statement;

1. includes
 - 1.1 a profit and loss account;
 - 1.2 a statement of mean capital employed;
 - 1.3 a statement of costs (if applicable); and
 - 1.4 a statement of costs of network services (if applicable)
2. is prepared in accordance with the Accounting Documents published with these Financial Statements. Insofar as there is any inconsistency between any or all of the Accounting Documents, the company ensures that each Financial Statement is prepared in accordance with the Accounting Documents in the following order of priority:
 - 2.1 the regulatory accounting principles;
 - 2.2 the attribution methods;
 - 2.3 the transfer charges;
 - 2.4 the accounting policies; and
3. is reconciled with the Annual Report and that reconciliation is demonstrated and explained.

eircom confirms that the Financial Statements for the year ended 31st March 2005 have been prepared in accordance with the requirements of the governing legislation.

Peter E Lynch
Chief Financial Officer
31 August 2005

Report of the Independent Auditors to eircom Limited

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

1. We have examined the financial statements on pages 12 to 73 which have been prepared under the historical cost convention in accordance with Decision Notices 5/99, 8/99, 10/99, 9/00, 10/00, 2/01, 7/01, 12/01 and 3/03 (“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 published with the financial statements (“the Accounting Documents”).
2. The financial statements comprise separate historical cost financial statements for the year ended 31 March 2005 for each of the Businesses listed on page 3 (“the Businesses”) and, in so far as each Business has been disaggregated in terms of activities of the business, each of the disaggregated activities listed on page 3, (“the activities”). The financial statements of the Core Network Business include the Network Statement of Costs and the Statement of Costs of Network Services. The financial statements of the Local Access Network include the Statement of Costs and the Statement of Costs of Access Services.

Respective responsibilities of the company and auditors

3. The company is responsible for preparing and approving, as described on page 7, the financial statements. Our responsibilities, as independent auditors, are established by the Decision Notices, 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 the company’s cost accounting system complies with the requirements of the Interconnection Regulations, whether each of the financial statements is fairly presented in accordance with the Accounting Documents dated 31 August 2005, whether the financial statements comply with the Decision Notices noted above and, whether the information specified by the Decision Notices to be published in the financial statements, has been published in the financial statements. We also report if, in our opinion, the “Introduction” by the company, setting out the basis upon which the financial statements have been prepared, is not consistent with the financial statements, if the company has not kept proper accounting records and if we have not received all of the information and explanations we require for our examination.
5. We read the “Definitions of the Businesses” and consider the implications for our report if we became aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

6. As explained in the “Basis of Preparation” on page 5, in accordance with the Accounting Documents, the financial statements are prepared by disaggregating balances recorded in the general ledgers and other accounting records of the company and its subsidiaries (“the group”) maintained in accordance with The Companies Acts, 1963 to 2005, and used, in accordance with those Acts, for the preparation of the company’s statutory consolidated financial statements for the year ended 31 March 2005 (“The Statutory Financial Statements”).
7. Decision Notice D7/01 and directions by way of letter dated 18 April 2001, inter alia, require the company to:-
 - use 1997/98 asset lives for core network and 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 page 5 in the "Basis of Preparation", in selecting appropriate attribution methods and appropriate non-financial data for use within the attribution models employed in the production of the financial statements, the company has had to make certain estimates and exercise its judgement, having regard to the regulatory principles specified in the Accounting Documents, including cost causality and objectivity, in order to comply with the requirements of the Accounting Documents. The company has decided that attribution methods and non-financial data sources will continue to be reviewed and, where appropriate, improved.

Opinion

14. In our opinion, each of the financial statements of each of the businesses and each of the Activities for the year ended 31 March 2005:-
- fairly presents in accordance with the Accounting Documents, dated 31 August 2005, the result and mean capital employed of, and costs incurred by, each of the Businesses and each of the activities;
 - complies with the Decision Notices;
 - contains information specified by the Decision Notices to be published in the financial statements.
15. In respect of the requirement in paragraph 4 of Section 21 of Statutory Instrument No 71 of 1999 (“the Interconnection Regulations”) and in the context of the Basis of audit opinion above, we are not aware of any matters of non-compliance. In respect of all other requirements of the Interconnection Regulations, in our opinion, the cost accounting system complies with the requirements of the Interconnection Regulations.

PricewaterhouseCoopers

Chartered Accountants and Registered Auditors
Dublin

31 August 2005

Local Access Network Business

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2005			
	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Turnover			
From other operators		15,449	2,570
Regulated rate of return adjustment		13,111	6,551
Transfer charges to Retail & Other		528,701	533,502
Total turnover	10	557,261	542,623
Operating costs			
Operating costs		459,829	430,497
Exceptional operating costs		(3,809)	6,770
Total operating costs	10	456,020	437,267
Return	10	101,241	105,356
RETURN ON MEAN CAPITAL EMPLOYED			
		31-Mar-05 €'000	31-Mar-04 €'000
Return		101,241	105,356
Mean capital employed		880,346	916,143
Return on mean capital employed		11.5%	11.5%
Return on turnover		18%	19%

Local Access Network Business

STATEMENT OF MEAN CAPITAL EMPLOYED as at 31 March 2005			
	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Fixed assets			
Tangible fixed assets		1,073,376	1,068,403
Intangible fixed assets		-	-
Total fixed assets		1,073,376	1,068,403
Current assets			
Stocks		6,109	5,411
Debtors		1,775	3,403
Cash at bank and in hand		18,702	42,581
Total current assets		26,586	51,395
Creditors		(130,714)	(107,893)
Provisions for liabilities and charges		(88,902)	(95,762)
Mean capital employed	11	880,346	916,143

Local Access Network Business

STATEMENT OF COSTS for the year ended 31 March 2005										
	Operating costs €'000	Exceptional Operating costs €'000	Capital employed €'000	Rate of return %	Capital costs €'000	Total operating and capital costs €'000	Volume (Line Equivalents)	Cost per Line Equivalents €		
Subscriber Unit	31,612	-55	107,389	11.5%	12,350	43,907	1,702,919	25.78		
<u>Narrowband Access Network (<2MB)</u>										
<i>Length Dependent Costs</i>										
Distribution Side Network (D-Side)	177,838	-1,579	390,453	11.5%	44,902	221,161	1,802,740	182.76		
Exchange Side Network (E-Side)	36,028	-290	112,953	11.5%	12,990	48,728				
<i>Non-Length Dependent Costs</i>										
Distribution Side Network (D-Side)	23,988	-199	76,956	11.5%	8,850	32,639				
Exchange Side Network (E-Side)	17,567	-69	82,064	11.5%	9,437	26,935				
<u>Broadband Access Network (>2MB)</u>										
Length Dependent Costs	2,367	-18	10,673	11.5%	1,227	3,576	7,593	1,740.29		
Non-Length Dependent Costs	6,580	-23	26,784	11.5%	3,081	9,638				
Carrier Administration & Billing	8,867	-55	-2,744	11.5%	-316	8,496	(a)	(a)		
DSLAM	16,837	-80	40,364	11.5%	4,642	21,399	(a) (b)	(a)		
Other DSL	7,992	-30	30,587	11.5%	3,518	11,480	(a) (b)	(a)		
Provisioning	88,484	-932	1,758	11.5%	202	87,754	(a)	(a)		
Repair	41,669	-479	3,109	11.5%	358	41,548	(a)	(a)		
Total	459,829	-3,809	880,346		101,241	557,261				

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

(b) The DSLAM network element has been analysed into DSLAM and Other DSL in order to distinguish between DSL port costs and usage of core network infrastructure by DSL services.

Local Access Network Business

STATEMENT OF COSTS for the year ended 31 March 2004										
	Operating costs €'000	Exceptional Operating costs €'000	Capital employed €'000	Rate of return %	Capital costs €'000	Total operating and capital costs €'000	Volume (Line Equivalents)	Cost per Line Equivalents €		
Subscriber Unit	39,763	699	119,850	11.5%	13,783	54,245	1,749,298	31.01		
<u>Narrowband Access Network (<2MB)</u>										
<i>Length Dependent Costs</i>										
Distribution Side Network (D-Side)	169,548	2,647	387,879	11.5%	44,606	216,801	1,861,964	175.69		
Exchange Side Network (E-Side)	35,245	567	121,881	11.5%	14,016	49,828				
<i>Non-Length Dependent Costs</i>										
Distribution Side Network (D-Side)	23,466	350	79,563	11.5%	9,150	32,966				
Exchange Side Network (E-Side)	17,902	295	81,173	11.5%	9,335	27,532				
<u>Broadband Access Network (>2MB)</u>										
Length Dependent Costs	3,043	52	14,642	11.5%	1,684	4,779	8,820	1,754.01		
Non-Length Dependent Costs	7,037	123	30,702	11.5%	3,531	10,691				
Carrier Administration & Billing	6,374	127	5,672	11.5%	652	7,153	(a)	(a)		
DSLAM	10,866	176	31,199	11.5%	3,588	14,630	(a) (b)	(a)		
Other DSL	5,896	102	22,970	11.5%	2,641	8,639	(a) (b)	(a)		
Provisioning	75,357	1,113	15,773	11.5%	1,814	78,284	(a)	(a)		
Repair	36,000	519	4,839	11.5%	556	37,075	(a)	(a)		
Total	430,497	6,770	916,143		105,356	542,623				

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

(b) The DSLAM network element has been analysed into DSLAM and Other DSL in order to distinguish between DSL port costs and usage of core network infrastructure by DSL services.

Core Network Business

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2005			
	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Turnover			
From other operators *		144,941	147,417
Regulated rate of return adjustment *		(15,524)	630
Transfer charges to Retail and Other		409,432	469,945
Total turnover	10	538,849	617,992
Operating costs		499,487	574,224
Transfer charges from Core Network		-	-
Exceptional operating costs		-	-
Transfer charges from Local Access Network		-	-
Exceptional transfer charges from Core Network		-	-
Exceptional transfer charges from Local Access Network		-	-
Total operating costs	10	499,487	574,224
Return	10	39,362	43,768
* includes provisions and adjustments for payments on finalisation of RIO rates			
RETURN ON MEAN CAPITAL EMPLOYED			
		31-Mar-05 €'000	31-Mar-04 €'000
Return		39,362	43,768
Mean capital employed		342,279	380,589
Return on mean capital employed		11.5%	11.5%
Return on turnover		7%	7%

Core Network Business

STATEMENT OF MEAN CAPITAL EMPLOYED			
as at 31 March 2005			
	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Fixed assets			
Tangible fixed assets		487,519	551,280
Intangible fixed assets		-	-
Total fixed assets		487,519	551,280
Current assets			
Stocks		910	608
Debtors		28,076	22,584
Cash at bank and in hand		21,025	51,432
Total current assets		50,011	74,624
Creditors		(180,885)	(228,141)
Provisions for liabilities and charges		(14,366)	(17,174)
Mean capital employed	11	342,279	380,589

Core Network Business

STATEMENT OF COSTS

for the year ended 31 March 2005

	Operating costs €'000	Exceptional Operating costs €'000	Capital employed €'000	Rate of return %	Capital costs €'000	Total operating and capital costs €'000	Total Units (Note (c))	Average cost cent per unit
<i>Call Sensitive</i>								
Subscriber unit	7,622	0	25,259	11.5%	2,905	10,527	6,755,594	0.156
Primary switch	7,318	0	11,925	11.5%	1,371	8,689	4,066,452	0.214
Secondary switch	5,914	0	10,874	11.5%	1,251	7,165	3,311,575	0.216
Tertiary switch	4,167	0	7,547	11.5%	868	5,035	1,904,397	0.264
<i>Traffic sensitive</i>								
Subscriber unit	7,587	0	24,807	11.5%	2,853	10,440	26,402,207	0.040
Primary switch	6,320	0	8,224	11.5%	946	7,266	14,897,772	0.049
Secondary switch	5,913	0	9,563	11.5%	1,100	7,013	10,898,076	0.064
Tertiary switch	5,288	0	10,217	11.5%	1,175	6,463	5,498,913	0.118
<i>Transmission: Non-length dependent</i>								
RSU to primary/secondary link	13,223	0	48,977	11.5%	5,632	18,855	17,295,509	0.109
Primary to primary link	431	0	1,679	11.5%	193	624	524,637	0.119
Primary to secondary link	1,706	0	6,579	11.5%	757	2,463	4,792,799	0.051
Primary to tertiary link	1,237	0	4,779	11.5%	550	1,787	2,478,162	0.072
Secondary to secondary link	1,087	0	4,163	11.5%	479	1,566	830,548	0.189
Secondary to tertiary link	1,620	0	6,282	11.5%	722	2,342	2,881,414	0.081
Tertiary to tertiary link	78	0	351	11.5%	40	118	249,888	0.048
<i>Transmission: Length dependent</i>								
RSU to primary/secondary length	7,752	0	36,127	11.5%	4,155	11,907	3,751,230	0.317
Primary to primary length	67	0	317	11.5%	36	103	121,317	0.085
Primary to secondary length	389	0	1,873	11.5%	215	604	1,895,513	0.032
Primary to tertiary length	298	0	1,424	11.5%	164	462	2,007,059	0.023
Secondary to secondary length	162	0	781	11.5%	90	252	1,037,460	0.024
Secondary to tertiary length	421	0	2,050	11.5%	236	657	4,200,610	0.016
Tertiary to tertiary length (Note (b))	0	0	0	11.5%	0	0	4,130	0.000
Inland directory enquiries	17,303	0	5,341	11.5%	614	17,917	(a)	(a)
International directory enquiries	1,112	0	279	11.5%	32	1,144	(a)	(a)
National Operator Assistance	6,175	0	-470	11.5%	-54	6,121	(a)	(a)
International Operator Assistance	341	0	88	11.5%	10	351	(a)	(a)
Carrier administration	8,552	0	-268	11.5%	-31	8,521	(a)	(a)
Carrier billing	5,691	0	3,902	11.5%	449	6,140	(a)	(a)
Intelligent network	4,456	0	3,720	11.5%	428	4,884	(a)	(a)
Outpayments	308,526	0	-91,684	11.5%	-10,544	297,982	(a)	(a)
International transmission	18,312	0	20,810	11.5%	2,393	20,705	(a)	(a)
Private circuits network	38,299	0	126,668	11.5%	14,567	52,866	(a)	(a)
Interconnect connections and rentals	6,145	0	25,621	11.5%	2,946	9,091	(a)	(a)
Other costs	5,975	0	24,474	11.5%	2,814	8,789	(a)	(a)
Total	499,487	0	342,279		39,362	538,849		

(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 100 km.

Core Network Business

STATEMENT OF COSTS for the year ended 31 March 2004

	Operating costs €'000	Exceptional Operating costs €'000	Capital employed €'000	Rate of return %	Capital costs €'000	Total operating and capital costs €'000	Total Units (Note (c))	Average cost cent per unit
<i>Call Sensitive</i>								
Subscriber unit	9,374	0	27,842	11.5%	3,202	12,576	7,045,188	0.179
Primary switch	8,129	0	15,915	11.5%	1,830	9,959	4,137,889	0.241
Secondary switch	6,760	0	14,873	11.5%	1,710	8,470	3,436,137	0.247
Tertiary switch	4,818	0	8,511	11.5%	979	5,797	1,956,895	0.296
<i>Traffic sensitive</i>								
Subscriber unit	10,282	0	29,789	11.5%	3,426	13,708	28,720,127	0.048
Primary switch	7,243	0	10,179	11.5%	1,171	8,414	15,517,773	0.054
Secondary switch	7,070	0	11,987	11.5%	1,378	8,448	11,288,204	0.075
Tertiary switch	8,070	0	11,924	11.5%	1,371	9,441	5,599,779	0.169
<i>Transmission: Non-length dependent</i>								
RSU to primary/secondary link	13,884	0	51,178	11.5%	5,885	19,769	17,523,959	0.113
Primary to primary link	477	0	1,696	11.5%	195	672	663,097	0.101
Primary to secondary link	2,032	0	7,834	11.5%	901	2,933	5,077,578	0.058
Primary to tertiary link	1,444	0	5,790	11.5%	666	2,110	2,650,260	0.080
Secondary to secondary link	1,093	0	4,396	11.5%	506	1,599	1,089,851	0.147
Secondary to tertiary link	1,913	0	8,052	11.5%	926	2,839	2,865,545	0.099
Tertiary to tertiary link	93	0	403	11.5%	46	139	192,598	0.072
<i>Transmission: Length dependent</i>								
RSU to primary/secondary length	9,044	0	41,035	11.5%	4,719	13,763	3,754,567	0.367
Primary to primary length	77	0	331	11.5%	38	115	142,050	0.081
Primary to secondary length	406	0	1,865	11.5%	215	621	1,947,365	0.032
Primary to tertiary length	373	0	1,677	11.5%	193	566	1,887,443	0.030
Secondary to secondary length	190	0	814	11.5%	94	284	1,381,668	0.021
Secondary to tertiary length	462	0	2,117	11.5%	243	705	4,120,955	0.017
Tertiary to tertiary length (Note (b))	0	0	0	11.5%	0	0	2,661	0.000
Inland directory enquiries	20,881	0	5,144	11.5%	592	21,473	(a)	(a)
International directory enquiries	1,319	0	413	11.5%	48	1,367	(a)	(a)
National Operator Assistance	6,881	0	-342	11.5%	-39	6,842	(a)	(a)
International Operator Assistance	433	0	165	11.5%	19	452	(a)	(a)
Carrier administration	9,728	0	545	11.5%	63	9,791	(a)	(a)
Carrier billing	7,587	0	4,031	11.5%	464	8,051	(a)	(a)
Intelligent network	3,241	0	4,993	11.5%	574	3,815	(a)	(a)
Outpayments	342,658	0	-112,619	11.5%	-12,951	329,707	(a)	(a)
International transmission	26,244	0	32,038	11.5%	3,684	29,928	(a)	(a)
Private circuits network	48,236	0	133,970	11.5%	15,407	63,643	(a)	(a)
Interconnect connections and rentals	7,842	0	28,608	11.5%	3,290	11,132	(a)	(a)
Other costs	5,940	0	25,435	11.5%	2,923	8,863	(a)	(a)
Total	574,224	0	380,589		43,768	617,992		

(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 100 km.

Retail Business

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2005			
	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Turnover			
Connections		31,806	35,237
Rental		627,956	578,513
Call charges		633,686	707,555
Other		15,105	13,113
Total turnover	10	1,308,553	1,334,418
Operating costs			
Operating costs specific to Retail		250,412	220,132
Transfer charges from Core Network		407,572	468,698
Transfer charges from Local Access Network		532,192	526,878
Exceptional operating costs		(1,710)	3,745
Exceptional transfer charges from Core Network		-	-
Exceptional transfer charges from Local Access Network		(3,624)	6,624
Total operating costs	10	1,184,842	1,226,077
Return	10	123,711	108,341
RETURN ON MEAN CAPITAL EMPLOYED			
		31-Mar-05 €'000	31-Mar-04 €'000
Return		123,711	108,341
Mean capital employed		167,190	200,079
Return on mean capital employed		74%	54%
Return on turnover		9%	8%

Retail Business

STATEMENT OF MEAN CAPITAL EMPLOYED			
as at 31 March 2005			
	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Fixed assets			
Tangible fixed assets		126,869	128,827
Intangible fixed assets		-	-
Total fixed assets		126,869	128,827
Current assets			
Stocks		627	-
Debtors		232,981	237,888
Cash at bank and in hand		9,985	20,802
Total current assets		243,593	258,690
Creditors		(169,602)	(154,221)
Provisions for liabilities and charges		(33,670)	(33,217)
Mean capital employed	11	167,190	200,079

Retail Business - Access

PROFIT AND LOSS ACCOUNT			
for the year ended 31 March 2005			
	Notes	31-Mar-05	31-Mar-04
		€'000	€'000
Turnover			
Connections		23,670	26,260
Rental		465,837	422,836
Call charges		-	-
Other		364	198
Total turnover		489,871	449,294
Operating costs			
Operating costs specific to Retail		99,266	64,928
Payphone transfer charge		(1,500)	(1,550)
Transfer charges from Core Network		-	-
Transfer charges from Local Access Network		508,749	503,059
Exceptional operating costs		(700)	959
Exceptional transfer charges from Core Network		-	-
Exceptional transfer charges from Local Access Network		(3,483)	6,349
Total operating costs		602,332	573,745
Return		(112,461)	(124,451)
RETURN ON MEAN CAPITAL EMPLOYED			
		31-Mar-05	31-Mar-04
		€'000	€'000
Return		(112,461)	(124,451)
Mean capital employed		53,040	46,828
Return on mean capital employed		-212%	-266%
Return on turnover		-23%	-28%

Retail Business - Access

STATEMENT OF MEAN CAPITAL EMPLOYED as at 31 March 2005	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Fixed assets			
Tangible fixed assets		43,568	32,462
Intangible fixed assets		-	-
Total fixed assets		43,568	32,462
Current assets			
Stocks		-	-
Debtors		68,720	61,414
Cash at bank and in hand		3,936	6,242
Total current assets		72,656	67,656
Creditors		(47,721)	(41,883)
Provisions for liabilities and charges		(15,463)	(11,407)
Mean capital employed		53,040	46,828

Retail Business - Local Calls

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2005		
Notes	31-Mar-05 €'000	31-Mar-04 €'000
Turnover		
Connections	-	-
Rental	-	-
Call charges	94,178	110,805
Other	-	-
Total turnover	94,178	110,805
Operating costs		
Operating costs specific to Retail	17,460	14,063
Payphone transfer charge	(176)	(245)
Transfer charges from Core Network	29,502	34,888
Transfer charges from Local Access Network	-	-
Exceptional operating costs	(160)	229
Exceptional transfer charges from Core Network	-	-
Exceptional transfer charges from Local Access Network	-	-
Total operating costs	46,626	48,935
Return	47,552	61,870
RETURN ON MEAN CAPITAL EMPLOYED		
	31-Mar-05 €'000	31-Mar-04 €'000
Return	47,552	61,870
Mean capital employed	13,020	14,123
Return on mean capital employed	365%	438%
Return on turnover	50%	56%

Retail Business - Local Calls

STATEMENT OF MEAN CAPITAL EMPLOYED as at 31 March 2005	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Fixed assets			
Tangible fixed assets		6,007	5,063
Intangible fixed assets		-	-
Total fixed assets		6,007	5,063
Current assets			
Stocks		-	-
Debtors		14,664	15,771
Cash at bank and in hand		649	1,348
Total current assets		15,313	17,119
Creditors		(6,167)	(6,242)
Provisions for liabilities and charges		(2,133)	(1,817)
Mean capital employed		13,020	14,123

Retail Business - National Calls

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2005		
Notes	31-Mar-05 €'000	31-Mar-04 €'000
Turnover		
Connections	-	-
Rental	-	-
Call charges	43,722	48,675
Other	-	-
Total turnover	43,722	48,675
Operating costs		
Operating costs specific to Retail	7,025	5,920
Payphone transfer charge	(155)	(189)
Transfer charges from Core Network	13,228	16,336
Transfer charges from Local Access Network	-	-
Exceptional operating costs	(63)	94
Exceptional transfer charges from Core Network	-	-
Exceptional transfer charges from Local Access Network	-	-
Total operating costs	20,035	22,161
Return	23,687	26,514
RETURN ON MEAN CAPITAL EMPLOYED		
	31-Mar-05 €'000	31-Mar-04 €'000
Return	23,687	26,514
Mean capital employed	5,462	5,854
Return on mean capital employed	434%	453%
Return on turnover	54%	54%

Retail Business - National Calls

STATEMENT OF MEAN CAPITAL EMPLOYED as at 31 March 2005	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Fixed assets			
Tangible fixed assets		2,474	2,208
Intangible fixed assets		-	-
Total fixed assets		2,474	2,208
Current assets			
Stocks		-	-
Debtors		6,314	6,529
Cash at bank and in hand		265	560
Total current assets		6,579	7,089
Creditors		(2,605)	(2,547)
Provisions for liabilities and charges		(986)	(896)
Mean capital employed		5,462	5,854

Retail Business - International Calls

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2005		
Notes	31-Mar-05 €'000	31-Mar-04 €'000
Turnover		
Connections	-	-
Rental	-	-
Call charges	134,066	135,922
Other	-	-
Total turnover	134,066	135,922
Operating costs		
Operating costs specific to Retail	10,397	11,726
Payphone transfer charge	(687)	(985)
Transfer charges from Core Network	67,894	62,993
Transfer charges from Local Access Network	-	-
Exceptional operating costs	(71)	198
Exceptional transfer charges from Core Network	-	-
Exceptional transfer charges from Local Access Network	-	-
Total operating costs	77,533	73,932
Return	56,533	61,990
RETURN ON MEAN CAPITAL EMPLOYED		
	31-Mar-05 €'000	31-Mar-04 €'000
Return	56,533	61,990
Mean capital employed	14,867	27,272
Return on mean capital employed	380%	227%
Return on turnover	42%	46%

Retail Business - International Calls

STATEMENT OF MEAN CAPITAL EMPLOYED as at 31 March 2005	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Fixed assets			
Tangible fixed assets		3,223	3,887
Intangible fixed assets		-	-
Total fixed assets		3,223	3,887
Current assets			
Stocks		-	-
Debtors		32,283	41,277
Cash at bank and in hand		411	1,100
Total current assets		32,694	42,377
Creditors		(19,629)	(17,016)
Provisions for liabilities and charges		(1,421)	(1,976)
Mean capital employed		14,867	27,272

Retail Business - Calls to Mobile

PROFIT AND LOSS ACCOUNT			
for the year ended 31 March 2005			
	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Turnover			
Connections		-	-
Rental		-	-
Call charges		195,722	210,901
Other		-	-
Total turnover		195,722	210,901
Operating costs			
Operating costs specific to Retail		18,258	15,118
Payphone transfer charge		(1,104)	(1,487)
Transfer charges from Core Network		144,774	160,022
Transfer charges from Local Access Network		-	-
Exceptional operating costs		(144)	242
Exceptional transfer charges from Core Network		-	-
Exceptional transfer charges from Local Access Network		-	-
Total operating costs		161,784	173,895
Return		33,938	37,006
RETURN ON MEAN CAPITAL EMPLOYED			
		31-Mar-05 €'000	31-Mar-04 €'000
Return		33,938	37,006
Mean capital employed		25,113	25,843
Return on mean capital employed		135%	143%
Return on turnover		17%	18%

Retail Business - Calls to Mobile

STATEMENT OF MEAN CAPITAL EMPLOYED as at 31 March 2005	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Fixed assets			
Tangible fixed assets		5,789	4,624
Intangible fixed assets		-	-
Total fixed assets		5,789	4,624
Current assets			
Stocks		-	-
Debtors		31,321	31,040
Cash at bank and in hand		700	1,452
Total current assets		32,021	32,492
Creditors		(10,366)	(9,405)
Provisions for liabilities and charges		(2,331)	(1,868)
Mean capital employed		25,113	25,843

Retail Business - Directory Enquiry

PROFIT AND LOSS ACCOUNT			
for the year ended 31 March 2005			
	Notes	31-Mar-05	31-Mar-04
		€'000	€'000
Turnover			
Connections		-	-
Rental		-	-
Call charges		19,785	23,265
Other		-	-
Total turnover		19,785	23,265
Operating costs			
Operating costs specific to Retail		654	764
Payphone transfer charge		(78)	(110)
Transfer charges from Core Network		15,284	19,569
Transfer charges from Local Access Network		-	-
Exceptional operating costs		(4)	7
Exceptional transfer charges from Core Network		-	-
Exceptional transfer charges from Local Access Network		-	-
Total operating costs		15,856	20,230
Return		3,929	3,035
RETURN ON MEAN CAPITAL EMPLOYED			
		31-Mar-05	31-Mar-04
		€'000	€'000
Return		3,929	3,035
Mean capital employed		1,583	2,605
Return on mean capital employed		248%	117%
Return on turnover		20%	13%

Retail Business - Directory Enquiry

STATEMENT OF MEAN CAPITAL EMPLOYED as at 31 March 2005	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Fixed assets			
Tangible fixed assets		139	98
Intangible fixed assets		-	-
Total fixed assets		139	98
Current assets			
Stocks		-	-
Debtors		2,081	3,260
Cash at bank and in hand		27	78
Total current assets		2,108	3,338
Creditors		(612)	(785)
Provisions for liabilities and charges		(52)	(46)
Mean capital employed		1,583	2,605

Retail Business - Leased Lines

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2005	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Turnover			
Connections		5,036	5,831
Rental		104,051	109,767
Call charges		-	-
Other		-	-
Total turnover		109,087	115,598
Operating costs			
Operating costs specific to Retail		6,230	5,617
Transfer charges from Core Network		66,355	84,488
Transfer charges from Local Access Network		19,373	21,842
Exceptional operating costs		(111)	551
Exceptional transfer charges from Core Network		-	-
Exceptional transfer charges from Local Access Network		(129)	253
Total operating costs		91,718	112,751
Return		17,369	2,847
<hr/>			
RETURN ON MEAN CAPITAL EMPLOYED			
		31-Mar-05 €'000	31-Mar-04 €'000
Return		17,369	2,847
Mean capital employed		(4,145)	4,472
Return on mean capital employed		n/a	64%
Return on turnover		16%	2%

Retail Business - Leased Lines

STATEMENT OF MEAN CAPITAL EMPLOYED			
as at 31 March 2005			
	Notes	31-Mar-05	31-Mar-04
		€'000	€'000
Fixed assets			
Tangible fixed assets		6,208	4,965
Intangible fixed assets		-	-
Total fixed assets		6,208	4,965
Current assets			
Stocks		-	-
Debtors		36,653	42,593
Cash at bank and in hand		369	776
Total current assets		37,022	43,369
Creditors		(45,136)	(42,008)
Provisions for liabilities and charges		(2,239)	(1,854)
Mean capital employed		(4,145)	4,472

Retail Business - Public Payphones

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2005	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Turnover			
Connections		-	-
Rental		-	-
Call charges		11,825	14,599
Other		1,681	1,704
Total turnover		13,506	16,303
Operating Costs			
Operating costs specific to Retail		13,741	15,457
Transfer charge from Retail		3,778	4,653
Transfer charges from Core Network		-	-
Exceptional operating costs		(41)	249
Exceptional transfer charges from Core Network		-	-
Total Operating Costs		17,478	20,359
Return		(3,972)	(4,056)
<hr/>			
RETURN ON MEAN CAPITAL EMPLOYED			
		31-Mar-05 €'000	31-Mar-04 €'000
Return		(3,972)	(4,056)
Mean capital employed		10,916	13,204
Return on mean capital employed		-36%	-31%
Return on turnover		-29%	-25%

Retail Business - Public Payphones

STATEMENT OF MEAN CAPITAL EMPLOYED as at 31 March 2005	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Fixed assets			
Tangible fixed assets		13,277	16,217
Intangible fixed assets		-	-
Total fixed assets		13,277	16,217
Current assets			
Stocks		627	-
Debtors		432	663
Cash at bank and in hand		445	1,228
Total current assets		1,504	1,891
Creditors		(2,921)	(3,952)
Provisions for liabilities and charges		(944)	(952)
Mean capital employed		10,916	13,204

Retail Business - Calls to Internet

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2005	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Turnover			
Connections		-	-
Rental		-	-
Call charges		71,557	95,214
Other		-	-
Total turnover		71,557	95,214
Operating costs			
Operating costs specific to Retail		8,503	15,566
Transfer charges from Core Network		22,460	32,967
Transfer charges from Local Access Network		-	-
Exceptional operating costs		(84)	164
Exceptional transfer charges from Core Network		-	-
Exceptional transfer charges from Local Access Network		-	-
Total operating costs		30,879	48,697
Return		40,678	46,517
RETURN ON MEAN CAPITAL EMPLOYED			
		31-Mar-05 €'000	31-Mar-04 €'000
Return		40,678	46,517
Mean capital employed		8,844	11,316
Return on mean capital employed		460%	411%
Return on turnover		57%	49%

Retail Business - Calls to Internet

STATEMENT OF MEAN CAPITAL EMPLOYED as at 31 March 2005	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Fixed assets			
Tangible fixed assets		3,721	7,027
Intangible fixed assets		-	-
Total fixed assets		3,721	7,027
Current assets			
Stocks		-	-
Debtors		10,352	11,036
Cash at bank and in hand		343	1,516
Total current assets		10,695	12,552
Creditors		(4,236)	(5,647)
Provisions for liabilities and charges		(1,336)	(2,616)
Mean capital employed		8,844	11,316

Retail Business - Internet Services Supply

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2005	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Turnover			
Connections		-	-
Rental		20,010	11,270
Call charges		-	-
Other		-	-
Total turnover		20,010	11,270
Operating costs			
Operating costs specific to Retail		14,774	15,059
Transfer charges from Core Network		3,778	2,805
Transfer charges from Local Access Network		-	-
Exceptional operating costs		(64)	166
Exceptional transfer charges from Core Network		-	-
Exceptional transfer charges from Local Access Network		-	-
Total operating costs		18,488	18,030
Return		1,522	(6,760)
RETURN ON MEAN CAPITAL EMPLOYED			
		31-Mar-05 €'000	31-Mar-04 €'000
Return		1,522	(6,760)
Mean capital employed		14,346	15,395
Return on mean capital employed		11%	-44%
Return on turnover		8%	-60%

Retail Business - Internet Services Supply

STATEMENT OF MEAN CAPITAL EMPLOYED			
as at 31 March 2005			
	Notes	31-Mar-05	31-Mar-04
		€'000	€'000
Fixed assets			
Tangible fixed assets		10,974	16,579
Intangible fixed assets		-	-
Total fixed assets		10,974	16,579
Current assets			
Stocks		-	-
Debtors		7,902	4,736
Cash at bank and in hand		604	1,404
Total current assets		8,506	6,140
Creditors		(3,546)	(4,976)
Provisions for liabilities and charges		(1,588)	(2,348)
Mean capital employed		14,346	15,395

Retail Business - Supplemental Services

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2005		
Notes	31-Mar-05 €'000	31-Mar-04 €'000
Turnover		
Connections	2,100	2,026
Rental	24,922	21,998
Call charges	730	1,377
Other	361	32
Total turnover	28,113	25,433
Operating costs		
Operating costs specific to Retail	22,030	21,621
Transfer charges from Core Network	7,129	9,026
Transfer charges from Local Access Network	1,780	1,921
Exceptional operating costs	(151)	651
Exceptional transfer charges from Core Network	-	-
Exceptional transfer charges from Local Access Network	(12)	21
Total operating costs	30,776	33,240
Return	(2,663)	(7,807)
RETURN ON MEAN CAPITAL EMPLOYED		
	31-Mar-05 €'000	31-Mar-04 €'000
Return	(2,663)	(7,807)
Mean capital employed	29,967	35,219
Return on mean capital employed	-9%	-22%
Return on turnover	-9%	-31%

Retail Business - Supplemental Services

STATEMENT OF MEAN CAPITAL EMPLOYED as at 31 March 2005	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Fixed assets			
Tangible fixed assets		25,071	26,854
Intangible fixed assets		-	-
Total fixed assets		25,071	26,854
Current assets			
Stocks		-	-
Debtors		18,680	13,295
Cash at bank and in hand		858	1,698
Total current assets		19,538	14,993
Creditors		(11,665)	(3,833)
Provisions for liabilities and charges		(2,977)	(2,795)
Mean capital employed		29,967	35,219

Retail Business - Remaining Activities

PROFIT AND LOSS ACCOUNT			
for the year ended 31 March 2005			
	Notes	31-Mar-05	31-Mar-04
		€'000	€'000
Turnover			
Connections		1,000	1,120
Rental		13,136	12,642
Call charges		62,101	66,797
Other		12,699	11,179
Total turnover		88,936	91,738
Operating costs			
Operating costs specific to Retail		32,074	34,293
Payphone transfer charge		(78)	(87)
Transfer charges from Core Network		37,168	45,604
Transfer charges from Local Access Network		2,290	56
Exceptional operating costs		(117)	235
Exceptional transfer charges from Core Network		-	-
Exceptional transfer charges from Local Access Network		-	1
Total operating costs		71,337	80,102
Return		17,599	11,636
RETURN ON MEAN CAPITAL EMPLOYED			
		31-Mar-05	31-Mar-04
		€'000	€'000
Return		17,599	11,636
Mean capital employed		(5,823)	(2,052)
Return on mean capital employed		n/a	n/a
Return on turnover		20%	13%

Retail Business - Remaining Activities

STATEMENT OF MEAN CAPITAL EMPLOYED as at 31 March 2005	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Fixed assets			
Tangible fixed assets		6,418	8,843
Intangible fixed assets		-	-
Total fixed assets		6,418	8,843
Current assets			
Stocks		-	-
Debtors		3,579	6,274
Cash at bank and in hand		1,378	3,400
Total current assets		4,957	9,674
Creditors		(14,998)	(15,927)
Provisions for liabilities and charges		(2,200)	(4,642)
Mean capital employed		(5,823)	(2,052)

Retail Business reconciliation

RETURN		
for the year ended 31 March 2005	31-Mar-05	31-Mar-04
	€'000	€'000
Access	(112,461)	(124,451)
Local Calls	47,552	61,870
National Calls	23,687	26,514
International Calls	56,533	61,990
Calls to Mobile	33,938	37,006
Directory Enquiry	3,929	3,035
Leased Lines	17,369	2,847
Public Payphones	(3,972)	(4,056)
Calls to Internet	40,678	46,517
Internet Services Supply	1,522	(6,760)
Supplemental Services	(2,663)	(7,807)
Remaining Activities	17,599	11,636
TOTAL RETAIL BUSINESS	123,711	108,341
MEAN CAPITAL EMPLOYED		
as at 31 March 2005		
	31-Mar-05	31-Mar-04
	€'000	€'000
Access	53,040	46,828
Local Calls	13,020	14,123
National Calls	5,462	5,854
International Calls	14,867	27,272
Calls to Mobile	25,113	25,843
Directory Enquiry	1,583	2,605
Leased Lines	(4,145)	4,472
Public Payphones	10,916	13,204
Calls to Internet	8,844	11,316
Internet Services Supply	14,346	15,395
Supplemental Services	29,967	35,219
Remaining Activities	(5,823)	(2,052)
TOTAL RETAIL BUSINESS	167,190	200,079

Other Business

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2005			
	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Turnover			
Turnover from operations		179,894	193,066
Regulated rate of return adjustment		2,413	(7,181)
Total turnover	10	182,307	185,885
Operating costs			
Operating costs specific to business		167,579	159,968
Transfer charges from Core Network		1,860	1,247
Transfer charges from Local Access Network		135	-
Exceptional operating costs		(4,069)	(1,665)
Exceptional transfer charges from Core Network		-	-
Exceptional transfer charges from Local Access Network		(2)	-
Exceptional loss on disposal of subsidiaries		-	1,184
Total operating costs	10	165,503	160,734
Return	10	16,804	25,151
RETURN ON MEAN CAPITAL EMPLOYED			
		31-Mar-05 €'000	31-Mar-04 €'000
Return		16,804	25,151
Mean capital employed		64,414	169,024
Return on mean capital employed		26%	15%
Return on turnover		9%	14%

Other Business

STATEMENT OF MEAN CAPITAL EMPLOYED as at 31 March 2005			
	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Fixed assets			
Tangible fixed assets		58,676	57,084
Intangible fixed assets		783	-
Total fixed assets		59,459	57,084
Current assets			
Stocks		3,167	4,130
Debtors		219,927	261,965
Cash at bank and in hand		18,131	28,560
Total current assets		241,225	294,655
Creditors		(223,088)	(164,820)
Provisions for liabilities and charges		(13,182)	(17,895)
Mean capital employed	11	64,414	169,024

Other Business - Apparatus Supply

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2005	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Turnover			
Turnover from operations		46,258	52,813
Operating costs			
Operating costs specific to business		38,684	47,971
Transfer charges from Core Network		-	-
Transfer charges from Local Access Network		-	-
Exceptional operating costs		(292)	471
Exceptional transfer charges from Local Access Network		-	-
Total operating costs		38,392	48,442
Return		7,866	4,371
RETURN ON MEAN CAPITAL EMPLOYED			
		31-Mar-05 €'000	31-Mar-04 €'000
Return		7,866	4,371
Mean capital employed		(5,665)	(8,155)
Return on mean capital employed		n/a	n/a
Return on turnover		17%	8%

Other Business - Apparatus Supply

STATEMENT OF MEAN CAPITAL EMPLOYED as at 31 March 2005	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Fixed assets			
Tangible fixed assets		6,760	11,289
Intangible fixed assets		-	-
Total fixed assets		6,760	11,289
Current assets			
Stocks		794	1,840
Debtors		2,648	2,344
Cash at bank and in hand		1,578	4,761
Total current assets		5,020	8,945
Creditors		(11,400)	(17,618)
Provisions for liabilities and charges		(6,045)	(10,771)
Mean capital employed		(5,665)	(8,155)

Other Business - Other Remaining Activities

PROFIT AND LOSS ACCOUNT			
for the year ended 31 March 2005			
	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Turnover			
Turnover from operations		31,717	33,026
Regulated rate of return adjustment		2,413	(7,181)
Total turnover		34,130	25,845
Operating costs			
Operating costs specific to business		27,019	13,982
Transfer charges from Core Network		1,860	1,247
Transfer charges from Local Access Network		135	-
Exceptional operating costs		(3,656)	99
Exceptional transfer charges from Local Access Network		(2)	-
Total operating costs		25,356	15,328
Return		8,774	10,517
RETURN ON MEAN CAPITAL EMPLOYED			
		31-Mar-05 €'000	31-Mar-04 €'000
Return		8,774	10,517
Mean capital employed		58,481	159,371
Return on mean capital employed		15%	7%
Return on turnover		26%	41%

Other Business - Other Remaining Activities

STATEMENT OF MEAN CAPITAL EMPLOYED as at 31 March 2005	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Fixed assets			
Tangible fixed assets		39,201	35,086
Intangible fixed assets		-	-
Total fixed assets		39,201	35,086
Current assets			
Stocks		-	-
Debtors		187,795	229,759
Cash at bank and in hand		1,182	1,650
Total current assets		188,977	231,409
Creditors		(166,214)	(102,789)
Provisions for liabilities and charges		(3,483)	(4,335)
Mean capital employed		58,481	159,371

Other Business - Indigo

PROFIT AND LOSS ACCOUNT			
for the year ended 31 March 2005			
	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Turnover			
Turnover from operations		4,121	8,451
Operating costs			
Operating costs specific to business		8,302	10,123
Transfer charges from Core Network		-	-
Transfer charges from Local Access Network		-	-
Exceptional operating costs		(24)	(2,258)
Exceptional transfer charges from Local Access Network		-	-
Total operating costs		8,278	7,865
Return		(4,157)	586
RETURN ON MEAN CAPITAL EMPLOYED			
		31-Mar-05 €'000	31-Mar-04 €'000
Return		(4,157)	586
Mean capital employed		254	92
Return on mean capital employed		-1637%	637%
Return on turnover		-101%	7%

Other Business - Indigo

STATEMENT OF MEAN CAPITAL EMPLOYED as at 31 March 2005	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Fixed assets			
Tangible fixed assets		1,171	2,779
Intangible fixed assets		-	-
Total fixed assets		1,171	2,779
Current assets			
Stocks		19	23
Debtors		2,584	3,020
Cash at bank and in hand		1,058	1,655
Total current assets		3,661	4,698
Creditors		(3,777)	(6,029)
Provisions for liabilities and charges		(801)	(1,356)
Mean capital employed		254	92

Other Business - Other Subsidiaries

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2005	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Turnover			
Turnover from operations		97,798	98,776
Operating costs			
Operating costs specific to business		93,574	87,892
Transfer charges from Core Network		-	-
Transfer charges from Local Access Network		-	-
Exceptional operating costs		(97)	23
Exceptional transfer charges from Local Access Network		-	-
Exceptional loss on disposal of subsidiaries		-	1,184
Total operating costs		93,477	89,099
Return		4,321	9,677
RETURN ON MEAN CAPITAL EMPLOYED			
		31-Mar-05 €'000	31-Mar-04 €'000
Return		4,321	9,677
Mean capital employed		11,344	17,716
Return on mean capital employed		38%	55%
Return on turnover		4%	10%

Other Business - Other Subsidiaries

STATEMENT OF MEAN CAPITAL EMPLOYED as at 31 March 2005	Notes	31-Mar-05 €'000	31-Mar-04 €'000
Fixed assets			
Tangible fixed assets		11,544	7,930
Intangible fixed assets		783	-
Total fixed assets		12,327	7,930
Current assets			
Stocks		2,354	2,267
Debtors		26,900	26,842
Cash at bank and in hand		14,313	20,494
Total current assets		43,567	49,603
Creditors		(41,697)	(38,384)
Provisions for liabilities and charges		(2,853)	(1,433)
Mean capital employed		11,344	17,716

Other Business reconciliation

RETURN for the year ended 31 March 2005	31-Mar-05 €'000	31-Mar-04 €'000
Apparatus Supply	7,866	4,371
Other Remaining	8,774	10,517
Indigo	(4,157)	586
Other Subsidiaries	4,321	9,677
TOTAL OTHER BUSINESS	16,804	25,151
MEAN CAPITAL EMPLOYED as at 31 March 2005	31-Mar-05 €'000	31-Mar-04 €'000
Apparatus Supply	(5,665)	(8,155)
Other Remaining	58,481	159,371
Indigo	254	92
Other Subsidiaries	11,344	17,716
TOTAL OTHER BUSINESS	64,414	169,024

Notes to the Financial Statements

1. 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% (2004: 11.5%). These adjustments have been made within the Other-Remaining Business.

2 Return on Capital Employed of the Core Network

The turnover of the Core Network Business includes revenue received from eircom Retail Business and other authorised operators. The Return on Capital Employed for this business should be 11.5% (2004: 11.5%) as per Decision 4.3.4 of Decision Notice D9/00 and D7/01 and amended in D3/03.

3 Core Network Turnover from Other Operators

Turnover from other operators consists of the following (€'000):

Call Origination	17,310
Call Termination	22,713
Carrier Pre Select	1,010
Number Portability	282
Interconnect Links	10,297
International Access	12,086
Transit	54,135
FRIACO	1,702
Partial Private Circuits	309
Access to PRS	10,249
Access to DQ	10,387
Ancillary	4,461
Total Core	144,941

4 Public Payphone Transfer Charge

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

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

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

Note 4 - Public Payphone Transfer Charge (continued)

	Retail Access €'000	Local Calls €'000	National Calls €'000	Int'l Calls €'000	Calls to Mobile €'000	Directory Enquiry €'000	Retail Remaining €'000
Operating costs specific to Retail	160	53	30	26	96	3	15
Transfer charge from Access/Core Network	1,514	88	56	168	758	66	1
Exceptional operating costs	(3)	-	-	-	(1)	-	-
Exceptional transfer charges from Access/Core Network	(13)	-	-	-	-	-	-
Retail Area markup	(158)	35	69	493	251	9	62
Transfer charge to Public Payphone	1,500	176	155	687	1,104	78	78

Note 5 - Payphone Memorandum Notes

2004/2005 Regulatory Accounts	€'000
Return per Payphone P&L	-3,972
Return earned by Retail Business	761
Return earned by Core Network	-25
Return earned by Access Network	374
	<hr/>
Total return to eircom from Payphone Business	<u>-2,862</u>

Note 6 - Payphone Access Charge

	€
Other operating costs	1,954,451
Network costs	4,145,045
Depreciation	<u>1,864,977</u>
Total allowable costs for Payphone Access Charge	7,964,473
No. of traffic minutes	<u>34,927,601</u>
Average cost per traffic minute in cents	<u><u>22.80</u></u>

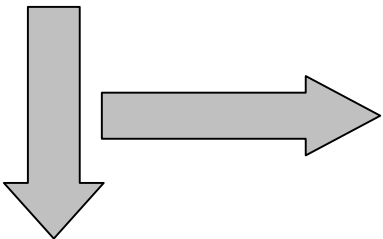
Note 7 - Capital Attribution for the purposes of calculating ROCE

	Total Retail	Access	Local Calls	National Calls	International Calls	Calls to Mobile	Directory Enquiry	Leased Lines	Public Payphones	Calls to Internet	Internet Services Supply	Supplemental Services	Remaining Activities
	31-Mar-05 €'000	31-Mar-05 €'000	31-Mar-05 €'000	31-Mar-05 €'000	31-Mar-05 €'000	31-Mar-05 €'000	31-Mar-05 €'000	31-Mar-05 €'000	31-Mar-05 €'000	31-Mar-05 €'000	31-Mar-05 €'000	31-Mar-05 €'000	31-Mar-05 €'000
Turnover	1,308,553	489,871	94,178	43,722	134,066	195,722	19,785	109,087	13,506	71,557	20,010	28,113	88,936
Total operating costs	1,184,842	602,332	46,626	20,035	77,533	161,784	15,856	91,718	17,478	30,879	18,488	30,776	71,337
Original return	123,711	-112,461	47,552	23,687	56,533	33,938	3,929	17,369	-3,972	40,678	1,522	-2,663	17,599
Plus:													
Exceptional operating costs	-1,710	-700	-160	-63	-71	-144	-4	-111	-41	-84	-64	-151	-117
Exceptional transfer charge from Core Network	0	0	0	0	0	0	0	0	0	0	0	0	0
Exceptional transfer charge from Access Network	-3,624	-3,483	0	0	0	0	0	-129	0	0	0	-12	0
Recalculated return including capital charge	118,377	-116,644	47,392	23,624	56,462	33,794	3,925	17,129	-4,013	40,594	1,458	-2,826	17,482
Access capital charges	97,999	92,476	0	0	0	0	0	4,957	0	0	0	542	24
Core capital charges	29,818	0	5,794	2,739	393	-1,644	453	15,991	0	3,616	329	1,657	489
Recalculated return excluding capital charge	246,194	-24,168	53,186	26,363	56,855	32,150	4,378	38,077	-4,013	44,210	1,787	-627	17,995
Mean capital employed	167,190	53,040	13,020	5,462	14,867	25,113	1,583	-4,145	10,916	8,844	14,346	29,967	-5,823
Plus:													
Exceptional provision	20,402	9,346	1,294	599	862	1,409	32	1,346	587	1,566	211	1,788	1,362
Attributed Access capital	187,592	62,386	14,314	6,061	15,729	26,522	1,615	-2,799	11,503	10,410	14,557	31,755	-4,461
Attributed Core Network capital	852,166	804,142	0	0	0	0	0	43,102	0	0	0	4,713	209
Recalculated mean capital employed	259,288	0	50,383	23,816	3,417	-14,293	3,943	139,054	0	31,446	2,859	14,412	4,251
ROCE before capital attribution	63%	-187%	331%	390%	359%	127%	243%	n/a	-35%	390%	10%	-9%	n/a
ROCE after capital attribution	19%	-3%	82%	88%	297%	263%	79%	21%	-35%	106%	10%	-1%	n/a

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

Allocated to Number Translation Code Services	Number of calls '000	Call related costs €'000	Revenue related costs €'000	Total costs €'000
Access to Premium Rate Services	14,462	69	576	645
Access to Freephone Services	58,542	428	0	428
Access to Shared Cost Timed Services	38,891	268	0	268
Access to Shared Cost Fixed Services	31,527	196	0	196
Chargecard	330	3	0	3
Allocated to Internet Access	257,054	1,904	401	2,305
	<hr/>	<hr/>	<hr/>	<hr/>
	400,806	2,868	977	3,845

Note 9 - Inter Business Turnover

<i>FROM / TO</i>			Local Access Network Business	Core Network Business	Retail Business	Other Business	TOTAL
	31-Mar-05	31-Mar-05	31-Mar-05	31-Mar-05	31-Mar-05	31-Mar-05	31-Mar-05
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Turnover originating in:							
LOCAL ACCESS NETWORK BUSINESS	-	-	528,568	-	133	-	528,701
CORE NETWORK BUSINESS	-	-	407,572	-	1,860	-	409,432
RETAIL BUSINESS							
Access	-	-	-	-	-	-	-
Local Calls	-	-	-	-	244	-	244
National Calls	-	-	-	-	-	-	-
International Calls	-	-	-	-	3,299	-	3,299
Calls to Mobile	-	-	-	-	-	-	-
Directory Enquiries	-	-	-	-	-	-	-
Leased Lines	-	-	-	-	7,590	-	7,590
Public Payphones	-	-	-	-	-	-	-
Calls to Internet	-	-	-	-	-	-	-
Internet Services Supply	-	-	-	-	-	-	-
Supplemental Services	-	-	-	-	-	-	-
Remaining Activities	-	-	-	-	-	-	-
OTHER BUSINESS							
Apparatus Supply	-	-	-	-	-	-	-
Other Remaining Activities	-	-	-	-	-	-	-
Indigo	-	1,129	-	-	-	-	1,129
Other Subsidiaries	-	19,046	15,329	-	-	-	34,375
TOTAL	-	20,175	951,469	-	13,126	-	984,770

Note 10 - Reconciliation Statement

Consolidated profit and loss account for the year ended 31 March 2005	Operating			Operating		
	Turnover 31-Mar-05 €'000	Costs 31-Mar-05 €'000	Return 31-Mar-05 €'000	Turnover 31-Mar-04 €'000	Costs 31-Mar-04 €'000	Return 31-Mar-04 €'000
Business						
Local Access Network Business	557,261	456,020	101,241	542,623	437,267	105,356
Core Network Business	538,849	499,487	39,362	617,992	574,224	43,768
Retail Business	1,308,553	1,184,842	123,711	1,334,418	1,226,077	108,341
Other Business	182,307	165,503	16,804	185,885	160,734	25,151
Total	2,586,970	2,305,852	281,118	2,680,918	2,398,302	282,616
Adjustments						
Elimination of Inter Business turnover and costs	(984,770)	(984,770)	-	(1,052,647)	(1,052,647)	-
Interest (payable) / receivable and similar charges			1,719			(2,397)
Share of profit of associates			879			323
Tax on profits on ordinary activities			(36,380)			(38,349)
Dividend paid and proposed			(218,000)			(618,000)
Non relevant Core Network operating costs		4,878	(4,878)			-
Non relevant Core Network exceptional operating costs		(1,066)	1,066		3,771	(3,771)
Impact of change to asset lives		(12,023)	12,023		(6,850)	6,850
As in the Annual Report	1,602,200	1,312,871	37,547	1,628,271	1,342,576	(372,728)

Note 11 - Reconciliation Statement

Consolidated mean capital employed as at 31 March 2005	31-Mar-05 €'000	31-Mar-04 €'000
Shareholders' funds as in the Annual Report	1,061,949	1,024,668
Reconciling items		
Investments in Associated Undertakings	(531)	0
Interest receivable	(9,964)	(13,696)
Proposed dividend	55,872	159,821
Taxation	24,832	65,112
Deferred Taxation provision	67,551	62,187
Closing capital employed at 31 March 2005 & 31 March 2004	1,199,709	1,298,092
Opening capital employed at 31 March 2004 & 31 March 2003	1,298,092	1,568,930
Total mean capital employed before determined adjustments	1,248,901	1,433,511
Impact of change to asset lives	190,281	199,828
Non relevant Core Network exceptional provision	15,047	32,496
Total mean capital employed	1,454,229	1,665,835
Mean capital employed of the Businesses		
	31-Mar-05 €'000	31-Mar-04 €'000
Local Access Network Business	880,346	916,143
Core Network Business	342,279	380,589
Retail Business	167,190	200,079
Other Business	64,414	169,024
Total mean capital employed	1,454,229	1,665,835

2005 Statement of Access Network Services

	Subscriber Unit	Narrow Band Access	Broad Band Access	Provisioning	Repair	DSLAM	Other DSL	Carrier Administration & Billing
Average Cost per Line Equivalent (€)	25.78	182.76	1,740.29	n/a	n/a	n/a	n/a	n/a
Total Cost (€'000's)	43,907	329,463	13,214	87,754	41,548	21,399	11,480	8,496
Usage Factors								
PSTN	0.816	1.000		69.6%	81.1%			0.2%
ISDN BRA	2.670	1.000		13.8%	11.7%	0.1%		0.0%
ISDN PRA	15.894	2.000	1.000	0.2%	1.9%	3.6%		-0.4%
Single Billing - Wholesale Line Rental	0.849	1.000		3.1%				59.3%
Private Circuits		2.000	1.000			5.3%		
Other Services				13.3%	5.2%	91.1%	100.0%	40.9%
Access Line Costs per Service (€)								
Rental								
PSTN	21.04	182.76	-	n/a	n/a	n/a	n/a	n/a
ISDN BRA	68.83	182.76	-	n/a	n/a	n/a	n/a	n/a
ISDN PRA	409.75	365.52	1,740.29	n/a	n/a	n/a	n/a	n/a
Single Billing - Wholesale Line Rental	21.89	182.76		n/a	n/a	n/a	n/a	n/a
Private Circuits	-	365.52	1,740.29	n/a	n/a	n/a	n/a	n/a
Other Services	-	-	n/a	n/a	n/a	n/a	n/a	n/a

Statement of Costs of Core Network Services

	CALL SENSITIVE				TRAFFIC SENSITIVE				NON LENGTH DEPENDENT							LENGTH DEPENDENT						
	Subscriber Unit	Primary Switch	Secondary Switch	Tertiary Switch	Subscriber Unit	Primary Switch	Secondary Switch	Tertiary Switch	RSU to Primary/Secondary Link	Primary to Primary Link	Primary to Secondary Link	Primary to Tertiary Link	Secondary to Secondary Link	Secondary to Tertiary Link	Tertiary to Tertiary Link	RSU to Primary/Secondary Link	Primary to Primary Link	Primary to Secondary Link	Primary to Tertiary Link	Secondary to Secondary Link	Secondary to Tertiary Link	Tertiary to Tertiary Link
Average Cost cent/min	0.156	0.214	0.216	0.264	0.040	0.049	0.064	0.118	0.109	0.119	0.051	0.072	0.189	0.081	0.048	0.317	0.085	0.032	0.023	0.024	0.016	0.000
Total Costs (€'000)	10,527	8,689	7,165	5,035	10,440	7,266	7,013	6,463	18,855	624	2,463	1,787	1,566	2,342	118	11,907	103	604	462	252	657	0
Routing Factors:-																						
Retail Services																						
Local Calls	1.908	0.934	0.543	0.035	1.889	0.956	0.591	0.057	1.387	0.139	0.338	0.037	0.061	0.029	0.002	0.287	0.026	0.064	0.039	0.010	0.031	0.000
Trunk Calls	1.915	1.269	1.375	0.354	1.900	1.280	1.373	0.359	1.362	0.034	0.906	0.293	0.429	0.369	0.013	0.329	0.023	0.419	0.241	0.760	0.408	0.000
International Calls	0.989	0.683	0.442	1.000	0.998	0.686	0.467	1.000	0.734	0.000	0.155	0.531	0.000	0.467	0.037	0.158	0.000	0.079	0.336	0.000	0.801	0.001
Calls To Mobile	1.000	0.691	0.801	0.262	1.000	0.693	0.801	0.262	0.740	0.000	0.492	0.183	0.000	0.082	0.010	0.168	0.000	0.155	0.225	0.000	0.121	0.000
Calls to Internet	1.613	0.694	0.330	0.034	1.592	0.695	0.324	0.032	0.774	0.001	0.018	0.020	0.000	0.012	0.001	0.177	0.000	0.012	0.010	0.000	0.017	0.000
Premium Rate Services	1.394	1.040	1.075	0.720	1.389	0.960	1.114	0.722	0.970	0.014	0.746	0.182	0.170	0.684	0.027	0.164	0.002	0.212	0.133	0.308	0.583	0.000
Inland Directory Enquiries	1.000	0.673	0.494	1.000	1.000	0.679	0.490	1.000	0.716	0.000	0.169	0.510	0.000	0.490	0.037	0.165	0.000	0.086	0.320	0.000	0.852	0.001
International Directory Enquiries	1.000	0.671	0.484	1.000	1.000	0.672	0.485	1.000	0.722	0.000	0.157	0.515	0.000	0.485	0.037	0.154	0.000	0.082	0.320	0.000	0.798	0.001
National Operator Assistance	1.000	0.672	0.512	1.000	1.000	0.672	0.512	1.000	0.702	0.000	0.183	0.488	0.000	0.512	0.037	0.171	0.000	0.106	0.259	0.000	0.862	0.001
International Operator Assistance	1.000	0.702	0.456	1.000	1.000	0.677	0.465	1.000	0.702	0.000	0.141	0.535	0.000	0.465	0.037	0.137	0.000	0.056	0.195	0.000	0.867	0.001
Supplemental Services	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Remaining Activities	1.503	0.878	0.875	0.375	1.462	0.833	0.807	0.368	0.798	0.027	0.414	0.372	0.162	0.296	0.015	0.131	0.003	0.137	0.264	0.199	0.348	0.000
Internet Service Supply																						
Leased Lines																						
Retail Access																						
Other Retail Services																						
RIO Services																						
Call Termination	1.000	0.688	0.583	0.247	1.000	0.683	0.571	0.243	0.725	0.003	0.233	0.096	0.015	0.150	0.009	0.153	0.001	0.126	0.094	0.009	0.220	0.000
Call Origination	1.000	0.674	0.533	0.342	1.000	0.686	0.540	0.332	0.734	0.001	0.223	0.098	0.001	0.234	0.012	0.158	0.000	0.121	0.093	0.001	0.386	0.000
Transit	0.000	0.001	0.045	1.083	0.000	0.001	0.065	1.075	0.000	0.000	0.001	0.001	0.002	0.034	0.143	0.000	0.000	0.000	0.002	0.009	0.002	0.000
Access to PRS services	0.611	0.416	0.365	1.000	0.777	0.308	0.597	1.000	0.293	0.000	0.127	0.181	0.000	0.597	0.037	0.025	0.000	0.019	0.032	0.000	0.045	0.001
Access to Freephone services	1.000	0.647	0.733	0.705	1.000	0.637	0.808	0.755	0.673	0.000	0.445	0.153	0.000	0.602	0.028	0.128	0.000	0.150	0.115	0.000	0.651	0.000
Access to LoCall services	0.000	0.000	0.002	0.998	0.000	0.000	0.003	0.997	0.000	0.000	0.000	0.000	0.000	0.000	0.037	0.000	0.000	0.000	0.000	0.000	0.000	0.001
Access to Callsave services	0.000	0.002	0.002	0.996	0.000	0.002	0.002	0.996	0.000	0.000	0.000	0.000	0.000	0.000	0.037	0.000	0.000	0.000	0.000	0.000	0.000	0.001
Paging Service Access	0.000	0.000	0.000	1.000	0.000	0.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.037	0.000	0.000	0.000	0.000	0.000	0.000	0.001
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	0.037	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	0.037	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	0.037	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	0.037	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	0.037	0.000	0.000	0.000	0.000	0.000	0.000	0.001
Customer Care Access	1.000	1.037	0.865	0.866	1.000	1.040	0.893	0.880	0.793	0.026	0.829	0.159	0.049	0.751	0.033	0.249	0.007	0.400	0.308	0.082	0.972	0.001
Access to emergency service	1.000	0.693	0.441	1.000	1.000	0.690	0.466	1.000	0.739	0.000	0.155	0.534	0.000	0.466	0.037	0.161	0.000	0.080	0.344	0.000	0.802	0.001
Partial Private Circuits																						
Flat Rate Internet Access Call Origination																						
Interconnect paths																						
Carrier Preselect - non conveyance charge																						
Serving operators - IN Dip																						
Packet services access																						
Non-geographical number portability																						
Universal number access																						
Personal number access																						
Geographic number portability																						
Other Wholesale Services																						
Subset of Call Origination																						
Primary	1.000	0.644	0.364	0.001	1.000	0.631	0.375	0.000	0.709	0.002	0.002	0.000	0.002	0.000	0.000	0.121	0.000	0.000	0.000	0.001	0.000	0.000
Tandem Long	1.000	0.999	0.898	1.000	1.000	0.999	0.909	1.000	0.799	0.000	0.909	0.090	0.000	0.909	0.037	0.255	0.000	0.442	0.202	0.000	1.367	0.001
Tandem Short	1.000	0.567	0.703	0.725	1.000	0.633	0.689	0.675	0.752	0.000	0.322	0.309	0.000	0.366	0.025	0.184	0.000	0.204	0.230	0.000	0.675	0.000
Subset of Call Termination																						
Primary	1.000	0.592	0.409	0.000	1.000	0.591	0.410	0.000	0.690	0.000	0.001	0.000	0.000	0.000	0.000	0.107	0.000	0.000	0.000	0.000	0.000	0.000
Tandem Long	1.000	1.037	0.865	0.866	1.000	1.040	0.893	0.880	0.793	0.026	0.829	0.159	0.049	0.751	0.033	0.249	0.007	0.400	0.308	0.082	0.972	0.001
Tandem Short	1.000	0.744	0.785	0.470	1.000	0.737	0.771	0.492	0.768	0.000	0.477	0.260	0.031	0.231	0.018	0.208	0.000	0.276	0.200	0.001	0.387	0.000

Statement of Costs of Core Network Services

	CALL SENSITIVE				TRAFFIC SENSITIVE				NON LENGTH DEPENDENT					LENGTH DEPENDENT								
	Subscriber Unit	Primary Switch	Secondary Switch	Tertiary Switch	Subscriber Unit	Primary Switch	Secondary Switch	Tertiary Switch	RSU to Primary/Secondary Link	Primary to Primary Link	Primary to Secondary Link	Primary to Tertiary Link	Secondary to Secondary Link	Secondary to Tertiary Link	Tertiary to Tertiary Link	RSU to Primary/Secondary Link	Primary to Primary Link	Primary to Secondary Link	Primary to Tertiary Link	Secondary to Secondary Link	Secondary to Tertiary Link	Tertiary to Tertiary Link
Average Cost per Minute:-																						
Retail Services																						
Local Calls	0.297	0.200	0.117	0.009	0.075	0.047	0.038	0.007	0.151	0.017	0.017	0.003	0.012	0.002	0.000	0.091	0.002	0.002	0.001	0.000	0.000	0.000
Trunk Calls	0.298	0.271	0.297	0.094	0.075	0.062	0.088	0.042	0.149	0.004	0.047	0.021	0.081	0.030	0.001	0.104	0.002	0.013	0.006	0.018	0.006	0.000
International Calls	0.154	0.146	0.096	0.264	0.039	0.033	0.030	0.118	0.080	0.000	0.008	0.038	0.000	0.038	0.002	0.050	0.000	0.003	0.008	0.000	0.013	0.000
Calls To Mobile	0.156	0.148	0.173	0.069	0.040	0.034	0.052	0.031	0.081	0.000	0.025	0.013	0.000	0.007	0.000	0.053	0.000	0.005	0.005	0.000	0.002	0.000
Calls to Internet	0.251	0.148	0.071	0.009	0.063	0.034	0.021	0.004	0.084	0.000	0.001	0.001	0.000	0.001	0.000	0.056	0.000	0.000	0.000	0.000	0.000	0.000
Premium Rate Services	0.217	0.222	0.233	0.190	0.055	0.047	0.072	0.085	0.106	0.002	0.038	0.013	0.032	0.056	0.001	0.052	0.000	0.007	0.003	0.007	0.009	0.000
Inland Directory Enquiries	0.156	0.144	0.107	0.264	0.040	0.033	0.032	0.118	0.078	0.000	0.009	0.037	0.000	0.040	0.002	0.052	0.000	0.003	0.007	0.000	0.013	0.000
International Directory Enquiries	0.156	0.143	0.105	0.264	0.040	0.033	0.031	0.118	0.079	0.000	0.008	0.037	0.000	0.039	0.002	0.049	0.000	0.003	0.007	0.000	0.012	0.000
National Operator Assistance	0.156	0.144	0.111	0.264	0.040	0.033	0.033	0.118	0.077	0.000	0.009	0.035	0.000	0.042	0.002	0.054	0.000	0.003	0.006	0.000	0.013	0.000
International Operator Assistance	0.156	0.150	0.099	0.264	0.040	0.033	0.030	0.118	0.077	0.000	0.007	0.039	0.000	0.038	0.002	0.043	0.000	0.002	0.004	0.000	0.014	0.000
Supplemental Services	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Remaining Activities	0.234	0.188	0.189	0.099	0.058	0.041	0.052	0.043	0.087	0.003	0.021	0.027	0.031	0.024	0.001	0.042	0.000	0.004	0.006	0.005	0.005	0.000
Internet Service Supply																						
Leased Lines																						
Retail Access																						
RIO Services																						
Call Termination	0.156	0.147	0.126	0.065	0.040	0.033	0.037	0.029	0.079	0.000	0.012	0.007	0.003	0.012	0.000	0.049	0.000	0.004	0.002	0.000	0.003	0.000
Call Origination	0.156	0.144	0.115	0.090	0.040	0.033	0.035	0.039	0.080	0.000	0.011	0.007	0.000	0.019	0.001	0.050	0.000	0.004	0.002	0.000	0.006	0.000
Transit	0.000	0.000	0.010	0.286	0.000	0.000	0.004	0.126	0.000	0.000	0.000	0.000	0.000	0.003	0.007	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Access to PRS services	0.095	0.089	0.079	0.264	0.031	0.015	0.038	0.117	0.032	0.000	0.007	0.013	0.000	0.049	0.002	0.008	0.000	0.001	0.001	0.000	0.001	0.000
Access to Freefone services	0.156	0.138	0.159	0.186	0.040	0.031	0.052	0.089	0.073	0.000	0.023	0.011	0.000	0.049	0.001	0.041	0.000	0.005	0.003	0.000	0.010	0.000
Access to LoCall services	0.000	0.000	0.000	0.264	0.000	0.000	0.000	0.117	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 Callsave services	0.000	0.000	0.000	0.263	0.000	0.000	0.000	0.117	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
Paging Service Access	0.000	0.000	0.000	0.264	0.000	0.000	0.000	0.118	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	0.264	0.000	0.000	0.000	0.118	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	0.264	0.000	0.000	0.000	0.118	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	0.264	0.000	0.000	0.000	0.118	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	0.264	0.000	0.000	0.000	0.118	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	0.264	0.000	0.000	0.000	0.118	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	0.156	0.222	0.187	0.229	0.040	0.051	0.057	0.103	0.086	0.003	0.043	0.011	0.009	0.061	0.002	0.079	0.001	0.013	0.007	0.002	0.015	0.000
Access to emergency service	0.156	0.148	0.095	0.264	0.040	0.034	0.030	0.118	0.081	0.000	0.008	0.039	0.000	0.038	0.002	0.051	0.000	0.003	0.008	0.000	0.013	0.000
Partial Private Circuits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Flat Rate Internet Access Call Origination	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Interconnect paths	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Carrier Preselect - non conveyance charge	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Serving operators - IN Dip	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Packet services access	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Non-geographical number portability	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Universal number access	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Personal number access	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Geographic number portability	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Subset of Call Origination																						
Primary	0.156	0.138	0.079	0.000	0.040	0.031	0.024	0.000	0.077	0.000	0.000	0.000	0.000	0.000	0.000	0.038	0.000	0.000	0.000	0.000	0.000	0.000
Tandem Long	0.156	0.213	0.194	0.264	0.040	0.049	0.059	0.118	0.087	0.000	0.047	0.007	0.000	0.074	0.002	0.081	0.000	0.014	0.005	0.000	0.021	0.000
Tandem Short	0.156	0.121	0.152	0.192	0.040	0.031	0.044	0.079	0.082	0.000	0.017	0.022	0.000	0.030	0.001	0.058	0.000	0.006	0.005	0.000	0.011	0.000
Subset of Call Termination																						
Primary	0.156	0.126	0.089	0.000	0.040	0.029	0.026	0.000	0.075	0.000	0.000	0.000	0.000	0.000	0.000	0.034	0.000	0.000	0.000	0.000	0.000	0.000
Tandem Long	0.156	0.222	0.187	0.229	0.040	0.051	0.057	0.103	0.086	0.003	0.043	0.011	0.009	0.061	0.002	0.079	0.001	0.013	0.007	0.002	0.015	0.000
Tandem Short	0.156	0.159	0.170	0.124	0.040	0.036	0.050	0.058	0.084	0.000	0.024	0.019	0.009	0.019	0.001	0.066	0.000	0.009	0.005	0.000	0.006	0.000

Statement of Costs of Core Network Services

				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)						17,917	1,144	6,121	351	8,521	6,140	4,884	297,982	20,705	52,866	9,091	8,789
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%	5.9%	17.5%	17.3%	1.5%	0.1%	0.0%	0.0%	0.1%
Trunk Calls						0.0%	0.0%	0.0%	0.0%	2.0%	4.6%	4.6%	0.4%	0.4%	0.0%	0.0%	0.0%
International Calls						0.0%	0.0%	0.0%	0.0%	2.8%	9.1%	6.1%	16.9%	32.5%	0.0%	0.0%	0.2%
Calls To Mobile						0.0%	0.0%	0.0%	0.0%	2.0%	10.8%	10.7%	45.5%	0.0%	0.0%	0.9%	0.0%
Calls to Internet						0.0%	0.0%	0.0%	0.0%	8.3%	4.3%	4.3%	3.5%	0.0%	0.0%	1.2%	4.3%
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						57.3%	0.0%	0.0%	0.0%	0.1%	0.5%	0.5%	1.2%	0.0%	0.0%	0.0%	2.5%
International Directory Enquiries						0.0%	65.9%	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%	52.6%	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%	0.2%	0.1%	0.0%	0.1%	5.8%	0.2%	0.0%	51.3%
Remaining Activities						0.1%	0.0%	0.0%	0.0%	1.3%	4.5%	4.4%	9.1%	0.5%	0.1%	0.1%	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%	0.6%	11.2%
Leased Lines						0.0%	0.0%	0.0%	0.0%	18.8%	2.5%	0.0%	0.0%	59.0%	99.0%	0.0%	0.7%
Retail Access						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Retail Services						0.0%	0.0%	0.0%	0.0%	0.6%	0.6%	0.0%	0.3%	0.1%	0.0%	0.0%	8.4%
RIO Services																	
Call Termination						0.0%	0.0%	0.0%	0.0%	5.6%	22.3%	22.2%	0.0%	0.0%	0.0%	0.0%	0.1%
Call Origination						0.0%	0.0%	0.0%	0.0%	4.6%	14.3%	14.2%	0.0%	0.0%	0.0%	0.1%	0.1%
Transit						0.0%	0.0%	0.0%	0.0%	0.9%	4.1%	4.0%	16.7%	0.0%	0.0%	1.8%	0.6%
Access to PRS services						0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	1.9%	0.0%	0.0%	0.0%	0.0%
Access to Freefone 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%
Access to LoCall services						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Access to Callsave services						0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Paging Service Access						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
National DQ						42.6%	0.0%	0.0%	0.0%	0.0%	0.3%	0.3%	0.0%	0.0%	0.0%	0.0%	1.6%
International DQ						0.0%	34.1%	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%	0.3%	1.1%	1.1%	3.0%	1.6%	0.0%	0.0%	0.0%
Customer Care Access						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Access to emergency service						0.0%	0.0%	46.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%
Partial Private Circuits						0.0%	0.0%	0.0%	0.0%	4.3%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.8%
Flat Rate Internet Access Call Origination						0.0%	0.0%	0.0%	0.0%	1.0%	0.3%	0.3%	0.0%	0.0%	0.0%	0.0%	2.0%
Interconnect paths						0.0%	0.0%	0.0%	0.0%	20.5%	1.0%	0.0%	0.0%	0.0%	0.7%	95.1%	15.4%
Carrier Preselect - non conveyance charge						0.0%	0.0%	0.0%	0.0%	13.6%	0.1%	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%	4.8%	0.3%	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%	2.2%	1.3%	9.6%	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 Core Network Services

				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	1.327	0.717	0.640	1.444	0.780	0.697
Trunk Calls	1.327	0.717	0.640	2.269	1.226	1.095
International Calls	1.327	0.717	0.640	1.485	0.802	0.717
Calls To Mobile	1.327	0.717	0.640	1.185	0.640	0.572
Calls to Internet	1.327	0.717	0.640	0.990	0.535	0.478
Premium Rate Services	1.327	0.717	0.640	1.920	1.037	0.926
Inland Directory Enquiries	1.327	0.717	0.640	1.504	0.812	0.726
International Directory Enquiries	1.327	0.717	0.640	1.493	0.807	0.721
National Operator Assistance	1.327	0.717	0.640	1.511	0.816	0.729
International Operator Assistance	1.327	0.717	0.640	1.478	0.798	0.713
Supplemental Services	1.327	0.717	0.640	0.000	0.000	0.000
Remaining Activities	1.327	0.717	0.640	1.539	0.831	0.743
Internet Service Supply	1.327	0.717	0.640	0.000	0.000	0.000
Leased Lines	1.327	0.717	0.640	0.000	0.000	0.000
Retail Access	1.327	0.717	0.640	0.000	0.000	0.000
RIO Services						
Call Termination	1.327	0.717	0.640	1.067	0.577	0.515
Call Origination	1.327	0.717	0.640	1.105	0.597	0.533
Transit	1.327	0.717	0.640	0.580	0.313	0.280
Access to PRS services	1.327	0.717	0.640	1.115	0.602	0.538
Access to Freefone services	1.327	0.717	0.640	1.415	0.764	0.683
Access to LoCall services	1.327	0.717	0.640	0.509	0.275	0.245
Access to Callsave services	1.327	0.717	0.640	0.508	0.275	0.245
Paging Service Access	1.327	0.717	0.640	0.509	0.275	0.246
National DQ	1.327	0.717	0.640	0.509	0.275	0.246
International DQ	1.327	0.717	0.640	0.509	0.275	0.246
Access to operator assistance	1.327	0.717	0.640	0.509	0.275	0.246
Access to Intl operator assistance	1.327	0.717	0.640	0.509	0.275	0.246
International access including NI	1.327	0.717	0.640	0.509	0.275	0.246
Customer Care access	1.327	0.717	0.640	1.826	0.986	0.881
Access to emergency service	1.327	0.717	0.640	1.492	0.806	0.720
Partial Private Circuits	1.327	0.717	0.640	0.000	0.000	0.000
Flat Rate Internet Access Call Origination	1.327	0.717	0.640	0.000	0.000	0.000
Interconnect paths	1.327	0.717	0.640	0.000	0.000	0.000
Carrier Preselect - non conveyance charge	1.327	0.717	0.640	0.000	0.000	0.000
Serving operators - IN Dip	1.327	0.717	0.640	0.000	0.000	0.000
Packet services access	1.327	0.717	0.640	0.000	0.000	0.000
Non-geographical number portability	1.327	0.717	0.640	0.000	0.000	0.000
Universal number access	1.327	0.717	0.640	0.000	0.000	0.000
Personal number access	1.327	0.717	0.640	0.000	0.000	0.000
Geographic number portability	1.327	0.717	0.640	0.000	0.000	0.000
Subset of Call Origination						
Primary	1.327	0.717	0.640	0.774	0.418	0.373
Tandem Long	1.327	0.717	0.640	1.896	1.024	0.915
Tandem Short	1.327	0.717	0.640	1.390	0.751	0.671
Subset of Call Termination						
Primary	1.327	0.717	0.640	0.763	0.412	0.368
Tandem Long	1.327	0.717	0.640	1.826	0.986	0.881
Tandem Short	1.327	0.717	0.640	1.366	0.738	0.659

TRANSFER CHARGE STATEMENT

	Retail Services												Other Activities Services			
	Access	Local Calls	National Calls	International Calls	Calls to Mobile	Directory Enquiry	Leased Lines	Public Payphones	Calls to Internet	Internet Services Supply	Supplemental Services	Remaining Activities	Apparatus Supply	Other Remaining Activities	Indigo	Other Subsidiaries
<u>COSTS/SERVICES</u>	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Core Network Costs	-	29,502	13,228	67,894	144,774	15,284	66,355	-	22,460	3,778	7,129	37,168	-	1,860	-	-
Local Access Network Costs	505,266	-	-	-	-	-	19,244	-	-	-	1,768	2,290	-	133	-	-
Public Payphone	(1,500)	(176)	(155)	(687)	(1,104)	(78)	-	3,778	-	-	-	(78)	-	-	-	-
Total Transfer Charges	503,766	29,326	13,073	67,207	143,670	15,206	85,599	3,778	22,460	3,778	8,897	39,380	-	1,993	-	-

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 includes the costs and capital employed associated with providing and maintaining these connections. For Accounting Separation, the Local Access Network Business includes all the customer-dedicated components of the network including, for example, the line cards and ports located at concentrators and/or exchanges. In respect of DSL, the Local Access Network Business includes all relevant equipment between the MDF and the ISP point of presence. The Core Network Business includes all other network components. Customer line rental is a service provided by the Retail Business. The revenue from line rental and connections provided to end users is therefore recorded in the Retail Business. The cost of providing customer lines is recorded against the Local Access Network Business and a transfer charge of costs to the Retail Business is levied in order to match revenues with their associated costs. Costs charged to the Retail Business are based on the fully allocated costs of Local Access Network Elements including a cost of capital, set at 11.5%, as directed by ComReg.

Core Network

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

The Core Network also includes payments to other operators, dedicated transmission and capacity for leased lines and the provision of directory enquiry services. Costs charged to the Retail Business are based on the fully allocated costs of the Core Network including a cost of capital, set at 11.5%, as directed by ComReg.

Definitions of the Businesses (Cont'd.)

Retail

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

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

1. Access

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

2. Local Calls

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

3. National Calls

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

4. International Calls

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

5. Calls to Mobile

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

Definitions of the Businesses (Cont'd.)

6. Directory Enquiry

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

7. Leased Lines

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

8. Public Payphones

Local, national, international dialled calls and calls to mobile, originating from public payphones, using cash, phone cards or credit cards.

9. Calls to Internet

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

10. Internet Services Supply

The business relating to the supply of internet services.

11. Supplemental Services

The business relating to the supply of certain advanced data services. Examples of these services are data networks, broadcast and visual services.

Definitions of the Businesses (Cont'd.)

12. Remaining Activities

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

Other Business

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

The disaggregated activities within Other Business are as follows:-

- 1. Apparatus Supply**
The business relating to the rental, maintenance and sale of customer premises equipment.
- 2. Indigo**
The business relating to the provision of internet services by Indigo.
- 3. Other Subsidiaries**
Activities of *eircom*'s subsidiaries other than Indigo.
- 4. Other Remaining Activities**
All other remaining activities such as repayment works, IT services and consultancy services.