



Historical Cost Separated Accounts

For the 18 months ended 31 December 2021

Financial Statements

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Introduction

eircom Limited Historical Cost Separated Accounts

The European Communities (Electronic Communications Networks and Services) (Framework) Regulations 2011 (S.I. No. 333 of 2011), the European Communities (Electronic Communications Networks and Services) (Access) Regulations 2011 (S.I. No. 334 of 2011) and the European Communities (Electronic Communications Networks and Services) (Universal Service and Users Rights) Regulations 2011 (S.I. No.337 of 2011) (respectively “the Framework Regulations”, “the Access Regulations” and the “Universal Service Regulations”) establish the framework for the regulation of the provision of electronic communications networks and services in Ireland. Under this framework, the Commission for Communications Regulation (“ComReg”) may designate operators as having Significant Market Power (“SMP”) in respect of specific markets, in which case ComReg may impose on such operators a range of obligations including, pursuant to Regulation 11 of the Access Regulations and Regulation 13 of the Universal Service Regulations, a requirement for accounting separation and cost accounting. eircom Limited has been designated with SMP in a number of markets and in each case is subject to obligations of accounting separation and cost accounting.

The Historical Cost Regulatory Separated Accounts (“Separated Accounts”) for the 18 months ended 31 December 2021 were prepared in accordance with this requirement and the detailed framework and financial statements requirements set out in the following ComReg Decision Notices (the ‘Decision Notices’) insofar as they apply to the 18 months ended 31 December 2021:

- Decisions No. 6, 8.1, 8.2, 8.4, 8.6, 8.9 and 8.11 set out in Decision Notice D7/01 ‘eircom’s Reference Interconnection Offer & Accounting Separation and Publication of Financial Information for Telecommunications Operators’, dated April 2001
- D3/03 ‘Review of the Price Cap on certain Telecommunications Services’, dated February 2003
- D03/09 ‘Review of regulatory asset lives of eircom Limited’, dated August 2009
- D04/09 ‘Rental Price for shared access to the Unbundled Local Loop Decision’, dated August 2009
- D08/10 ‘Accounting Separation and Cost Accounting Review of eircom Limited’, dated 31 August 2010
- D15/14 ‘Cost of Capital’, dated 18 December 2014
- D11/18 ‘Pricing of Wholesale Broadband Services in the WLA and WCA Markets’ dated 19 November 2018
- D03/20 ‘Wholesale High Quality Access at a Fixed Location’ dated 24 January 2020
- D10/20 ‘Review of Weighted Average Cost of Capital’ dated 14 October 2020
- D02/20 ‘Access to Non-geographic numbers: Imposition of price control and transparency obligations’ dated 13 April 2021
- ComReg 21/68 ‘Weighted Average Cost of Capital (“WACC”) Annual update - 2021’ dated 29 June 2021
- ComReg 21/60R ‘Direction to Eircom Limited with respect to Access to CEI under ComReg Decision D10/18’ dated 8 October 2021
- D10/21 ‘Assessment Regional Wholesale Central Access (WCA) Market Re-application of geographic assessment criteria set out in ComReg Decision D10/18’ dated 25 November 2021
- D11/21 ‘Regulated Wholesale Fixed Access Charges - Review of the Access Network Model’, dated 17 December 2021.

Introduction

The Decision Notices require that Financial Statements are prepared for the following Wholesale Market Groups and, where applicable, individual markets within these Wholesale Market Groups:

Market Group	Markets
Wholesale Access	Wholesale Fixed Narrowband & Unbundled Access Wholesale Broadband Access Wholesale Leased Lines
Wholesale Other	Wholesale Interconnect Call Conveyance Wholesale Residual (Regulated) Wholesale Residual (Unregulated)

The full definition of these Wholesale Market Groups and individual wholesale markets are set out in Section 2 of the Primary Accounting Documentation, dated 31 May 2022.

The Separated Accounts are prepared in accordance with the Accounting Documents, where the Accounting Documents means the Primary and Secondary Accounting Documentation, as appropriate. The Primary Accounting Documentation set out the framework under which the statements have been prepared.

The Primary Accounting Documentation is made up of the following:

- Regulatory Accounting Principles - which lay out the general rules by which the Separated Accounts should be prepared, for example that all balances should be attributed with reference to cost causality.

- Attribution Methods - which explain how revenue, costs including transfer charges, assets and liabilities are attributed to the Markets, Network Elements and Activities within those Market Groups, following the Regulatory Accounting Principles, on a fully allocated basis.
- Transfer Charges - which explain how charges are raised between the markets.
- Accounting Policies - which detail the accounting policies adopted in preparing the underlying financial information.

For clarification, the Primary Accounting Documentation contains the high level principles of attribution.

The procedures describing how these principles are applied are contained in the Secondary Accounting Documentation, which identify these procedures in detail. The Secondary Accounting Documentation is provided privately to ComReg, in accordance with the requirements of D08/10.

This introduction does not form part of the Accounting Documents.

Applicable Rate of Return

The applicable Rate of Return used in these Separated Accounts is 9.25% which is an average of three rates in operation during the 18 months period ended 31 December 2021. The Rate of Return has been adjusted to reflect the fact that the Separated Accounts are presented for an 18 months period to 31 December 2021.

Statement of Director's Responsibilities for the Separated Accounts

The European Communities (Electronic Communications Networks and Services) (Framework) Regulations 2011 (S.I. No. 333 of 2011), the European Communities (Electronic Communications Networks and Services) (Access) Regulations 2011 (S.I. No. 334 of 2011) and the European Communities (Electronic Communications Networks and Services) (Universal Service and Users' Rights) Regulations 2011 (S.I. No. 337 of 2011) (respectively "the Framework Regulations", "the Access Regulations" and the "Universal Service Regulations") establish the framework for the regulation of the provision of electronic communications networks and services in Ireland.

Under this framework, the Commission for Communications Regulation ("ComReg") may designate operators as having Significant Market Power ("SMP") in respect of specific markets; in which case ComReg may impose on such operators a range of obligations including, pursuant to Regulation 11 of the Access Regulations and Regulation 13 of the Universal Service Regulations, a requirement for accounting separation and cost accounting. eircom Limited has been designated with SMP in a number of markets and in each case is subject to obligations of accounting separation and cost accounting. ComReg Decision D08/10 (the "Decision Instrument") of 31 August 2010 specifies the manner in which eircom Limited must meet its obligations of accounting separation and cost accounting. The directors are responsible for preparing the Separated Accounts which present fairly, in accordance with the Decision Instrument and all relevant ComReg Directions, the results, mean capital employed and costs incurred by the company and for each of the relevant markets.

The Separated Accounts for the 18 months ended 31 December 2021 were prepared in accordance with Decision Notice D08/10. Each Financial Statement includes:

- an income statement;

- a statement of mean capital employed;
- a statement of average costs and revenue (if applicable);
- a statement of costs (if applicable);
- a network cost market summary (if applicable).

Each Financial Statement is prepared in accordance with the Accounting Documents. 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:

- the regulatory accounting principles;
- the attribution methods;
- the transfer charges; and
- the accounting policies.

The Separated Accounts are reconciled with the eircom Limited Statutory Financial Statements and that reconciliation is demonstrated and explained.

eircom Limited confirms that the Separated Accounts for the 18 months ended 31 December 2021 fairly present, in accordance with the Primary Accounting Documentation dated 31 May 2022, the results, mean capital employed and costs incurred by eircom Limited and comply with the requirements of the Decision Instrument and the governing legislation.

Stephen Tighe

Chief Financial Officer
On Behalf of the Board
31 May 2022

INDEPENDENT AUDITOR'S REPORT TO THE COMMISSION FOR COMMUNICATIONS REGULATION ("COMREG") AND THE DIRECTORS OF EIRCOM LIMITED

Opinion

We have audited the Separated Accounts of eircom Limited (the "Company") for the period ended 31 December 2021, including the Market Financial Statements, which comprise the following:

- the Consolidated Wholesale Income Statement and Consolidated Wholesale Statement of Mean Capital Employed;
- the Income Statements and Statements of Mean Capital Employed in respect of markets (the "Market Financial Statements");
- the Statements of Average Costs and Revenue by Service for Wholesale Fixed Narrowband and Unbundled Access and Wholesale Broadband Access;
- the Statement of Costs Wholesale Markets;
- the Network Cost Market Summary Wholesale Markets; and
- the Notes to the financial statements.

The Market Financial Statements comprise:

- The Income Statement Wholesale Access and Statement of Mean Capital Employed Wholesale Access, including the Income Statements for the Wholesale Access Markets;
- The Income Statement Wholesale Other and Statement of Mean Capital Employed Wholesale Other, including the Income Statements for the Wholesale Other Markets.

The financial reporting framework that has been applied in their preparation is a special purpose framework comprising of:

- Decision D08/10 (dated 31 August 2010), ("the Decision Instrument" or "the Regulations"); and
- The Primary Accounting Documentation for the period ended 31 December 2021 ("the Primary Accounting Documentation").

In our opinion:

- the Separated Accounts of the Company for the period ended 31 December 2021 present fairly, in all material respects, in accordance with the Regulations (including the Decision Instrument) and the Primary Accounting Documentation, the results, mean capital employed and costs incurred by eircom Limited and comply with the Regulations;
- each of the Market Financial Statements for the period ended 31 December 2021 present fairly in all material respects, in accordance with the Primary Accounting Documentation, the results, mean capital employed and costs incurred by eircom Limited and comply with the Regulations.

Basis for Opinion

As explained in the "Basis of Preparation" in note 1a, the Company prepared the Separated Accounts by disaggregating balances recorded in the general ledgers and other accounting records of eircom Limited and its subsidiaries (together the "Group"), by directions published by ComReg.

We audited the Statutory Financial Statements of eircom Limited for the period ended 31 December 2021 on which we expressed an unqualified audit opinion. In conducting our subsequent audit of the Separated Accounts, and in providing the opinions above, we have not performed any additional tests of the transactions and balances which are recorded in the general ledgers and other accounting records beyond those already performed for the purpose of the audit of the Statutory Financial Statements.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) including 'ISA (UK) 800 (Revised) Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks' and having regard to the guidance contained in the ICAEW Technical Release 02/16AAF (Revised) Reporting

INDEPENDENT AUDITOR'S REPORT TO THE COMMISSION FOR COMMUNICATIONS REGULATION ("COMREG") AND THE DIRECTORS OF EIRCOM LIMITED (CONTINUED)

to regulators on regulatory accounts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separated Accounts section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to the fact that the Separated Accounts have been prepared in accordance with a special purpose framework, the Regulations (including the Decision Instrument) issued by ComReg and the Primary Accounting Documentation. The nature, form and content of the Separated Accounts are determined by ComReg. It is not appropriate for us to assess whether the nature of the information being reported upon is suitable or appropriate for ComReg's purposes. Accordingly, we make no such assessment. The Separated Accounts are separate from the Statutory Financial Statements of the Company and have not been prepared under the basis of International Financial Reporting Standards as adopted by the European Union ("IFRS"). Financial information other than that prepared on the basis of IFRS does not necessarily represent a true and fair view of the financial performance or financial position of a company as shown in statutory financial statements prepared in accordance with the Companies (Jersey) Law 1991.

Our opinion is not modified in respect of this matter.

Other matter

The Statutory Financial Statements of eircom Limited have been prepared on the going concern basis. As noted in the Primary Accounting Documentation, the Statutory Financial Statements were approved on 7 March 2022, and the directors' assessment of the Company's ability to continue as a going concern was performed as of that date. The assessment reflects the financial position of the Company at 7 March 2022 and the directors are not required to and have not performed an updated assessment for the purposes of the Separated Accounts. We have not performed an assessment in respect of going concern for the purposes of the Separated Accounts.

Other information

The other information comprises the information included in the Historical Cost Separated Accounts, other than the Separated Accounts and our auditor's report thereon. The directors are responsible for the other information contained within the Historical Cost Separated Accounts.

Our opinion on the Separated Accounts does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Separated Accounts or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Separated Accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE COMMISSION FOR COMMUNICATIONS REGULATION ("COMREG") AND THE DIRECTORS OF EIRCOM LIMITED (CONTINUED)

Responsibilities of the Directors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the directors are responsible for the preparation of the Separated Accounts and for such internal control as management determines is necessary to enable the preparation of Separated Accounts that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separated Accounts

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the

primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the financial reporting aspects of the ComReg regulations;
- We understood how eircom Limited is complying with those frameworks by making enquiries of management. We corroborated our enquiries through reading the board minutes and we noted that there was no contradictory evidence;
- We assessed the susceptibility of the Company's Separated Accounts to material misstatement, including how fraud might occur, by enquiry of management, those charged with governance and others within the Company, as to whether they have knowledge of any actual or suspected fraud. Where this risk was considered higher, we performed audit procedures to address the fraud risk. These procedures included testing manual journal entries and were designed to provide reasonable assurance that the Separated Accounts were free from fraud or error;
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved reading board minutes to identify any non-compliance with laws and regulations and enquiries of management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE COMMISSION FOR COMMUNICATIONS REGULATION ("COMREG") AND THE DIRECTORS OF EIRCOM LIMITED (CONTINUED)

Use of our report

This report is made, on terms that have been agreed solely by the Company and ComReg, in order to meet the requirements of the Regulations (including the Decision Instrument) and the Primary Accounting Documentation. Our audit work has been undertaken so that we might state to the Company and ComReg those matters that we have agreed to state to them in our report, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and ComReg, for our audit work, for this report or for the opinions we have formed.

Our opinion on the Separated Accounts is separate from our opinion on the Statutory Financial Statements of the Company for the period ended 31 December 2021 on which we reported on 7 March 2022, which are prepared for a different purpose. Our audit report in relation to the Statutory Financial Statements of the Company (our "Statutory audit") was made solely to the Company's members, as a body, in accordance with the Companies (Jersey) Law 1991. Our Statutory audit work was undertaken so that we might state to the Company's members those matters we are required to state to them in a statutory audit report and for no other purpose. In these circumstances, to the fullest extent permitted by law, we do not accept or assume responsibility for any other purpose or to any other person to whom our Statutory audit report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Ernst & Young
Chartered Accountants and Registered Auditor

Dublin

31 May 2022

Consolidated

WHOLESALE INCOME STATEMENT For the 18 months ended 31 December 2021	Eighteen months to 31 December 2021			Twelve months to 30 June 2020- Restated		
	Total €'000	Wholesale Access €'000	Wholesale Other €'000	Total €'000	Wholesale Access €'000	Wholesale Other €'000
Revenue	975,472	752,020	223,452	662,012	479,550	182,462
Operating costs	677,164	454,161	223,003	495,394	315,917	179,477
Return	298,308	297,859	449	166,618	163,632	2,986
Mean capital employed	1,518,779	1,430,773	88,006	1,540,007	1,428,526	111,480
Return on capital employed	20%	21%	1%	11%	11%	3%
Return on capital employed (annualised)*	13%	14%	0%	11%	11%	3%

*In these Separated Accounts, Return on capital employed was multiplied by 12 and divided by 18 to arrive at an annualised ROCE.

Consolidated

**WHOLESALE STATEMENT OF MEAN CAPITAL EMPLOYED
as at 31 December 2021**

	31 December 2021			30 June 2020 - Restated		
	Total €'000	Wholesale Access €'000	Wholesale Other €'000	Total €'000	Wholesale Access €'000	Wholesale Other €'000
Non Current Assets						
Property, Plant and Equipment	1,579,045	1,483,527	95,518	1,556,767	1,455,262	101,505
Intangible Assets	22,754	19,563	3,191	28,587	24,439	4,148
Right of Use Assets	90,054	65,076	24,978	61,626	46,153	15,473
Other Non Current Assets	9,144	7,273	1,871	8,694	6,591	2,103
Total Non Current Assets	1,700,997	1,575,439	125,558	1,655,674	1,532,445	123,229
Current Assets						
Inventories	8,076	6,523	1,553	7,475	6,378	1,097
Trade and other receivables	70,284	41,974	28,310	107,303	53,776	53,527
Cash and cash equivalents	134,101	106,660	27,441	132,257	100,264	31,994
Total Current Assets	212,461	155,157	57,304	247,036	160,418	86,618
Total Assets	1,913,458	1,730,596	182,862	1,902,710	1,692,863	209,847
Liabilities						
Trade and other payables	(235,807)	(169,573)	(66,234)	(236,215)	(161,842)	(74,373)
Provisions for liabilities and charges	(158,872)	(130,250)	(28,622)	(126,487)	(102,494)	(23,993)
Total Liabilities	(394,679)	(299,823)	(94,856)	(362,703)	(264,336)	(98,366)
Mean Capital Employed for the period	1,518,779	1,430,773	88,006	1,540,007	1,428,526	111,480

Market Financial Statements

INCOME STATEMENT WHOLESAL ACCESS For the 18 months ended 31 December 2021	Eighteen months to 31 December 2021				Twelve months to 30 June 2020- Restated			
	Total €'000	Wholesale Fixed Narrowband & Unbundled Access €'000	Wholesale Broadband Access €'000	Wholesale Leased Lines €'000	Total €'000	Wholesale Fixed Narrowband & Unbundled Access €'000	Wholesale Broadband Access €'000	Wholesale Leased Lines €'000
Revenue								
External revenue	282,407	75,603	161,043	45,761	166,929	44,152	90,218	32,559
Internal revenue - Inter	30,812	28	-	30,784	11,361	188	-	11,173
Internal revenue - Intra	438,801	221,504	167,037	50,260	301,260	168,823	101,543	30,894
Total revenue	752,020	297,135	328,080	126,805	479,550	213,163	191,761	74,626
Costs								
Cost of Sales	15,825	15,542	80	203	(293)	(498)	33	172
Product development and management	1,927	782	645	500	1,525	733	437	355
Marketing and sales	1,553	697	610	246	1,787	764	719	304
Repair and maintenance	77,481	48,723	24,667	4,091	55,779	36,995	15,828	2,956
Finance	3,699	1,758	1,581	360	3,238	1,557	1,363	318
Installation/Provisioning	5,356	3,487	1,102	767	5,115	3,055	1,380	680
Network support	43,810	20,210	19,238	4,362	33,602	15,207	14,856	3,539
General management	14,148	6,598	6,014	1,536	14,052	7,189	5,451	1,412
Accommodation	28,710	7,964	16,859	3,887	15,558	4,067	9,279	2,213
Information Technology	9,361	4,347	3,989	1,025	7,813	3,839	3,214	760
Transport	8,455	5,031	2,881	543	5,733	3,437	1,933	363
Personnel and administration	2,060	1,055	773	232	1,753	898	664	191
Other operating expenses	1,090	870	193	27	513	377	125	10
Credit management and billing	513	152	187	174	259	(52)	(112)	423
Depreciation	241,678	94,403	119,439	27,836	169,751	67,073	83,684	18,993
Total HCA wholesale operating costs	455,666	211,619	198,258	45,789	316,185	144,643	138,854	32,688
Transfer charges from Retail	-	-	-	-	-	-	-	-
Exceptional (Gain) / Loss	(1,505)	(907)	(503)	(95)	(268)	(107)	(131)	(29)
Total Operating costs	454,161	210,712	197,755	45,694	315,917	144,536	138,723	32,659
Return	297,859	86,423	130,325	81,111	163,632	68,627	53,038	41,968
Mean capital employed	1,430,773	614,618	676,652	139,503	1,428,526	633,204	651,481	143,842
Return on capital employed	21%	14%	19%	58%	11%	11%	8%	29%
Return on capital employed (annualised)*	14%	9%	13%	39%	11%	11%	8%	29%

*In these Separated Accounts, Return on capital employed was multiplied by 12 and divided by 18 to arrive at an annualised ROCE.

Market Financial Statements

INCOME STATEMENT WHOLESAL E OTHER For the 18 months ended 31 December 2021	Eighteen months to 31 December 2021				Twelve months to 30 June 2020- Restated			
	Total €'000	Wholesale Interconnect Call Conveyance €'000	Wholesale Residual (Regulated) €'000	Wholesale Residual (Unregulated) €'000	Total €'000	Wholesale Interconnect Call Conveyance €'000	Wholesale Residual (Regulated) €'000	Wholesale Residual (Unregulated) €'000
Revenue								
External revenue	149,783	17,288	9,423	123,072	122,727	24,002	9,070	89,655
Internal revenue - Inter	18,938	8,672	1,504	8,762	14,351	8,209	1,207	4,935
Internal revenue - Intra	54,731	24,451	3,428	26,852	45,384	22,160	2,395	20,829
Total revenue	223,452	50,411	14,355	158,686	182,462	54,371	12,671	115,420
Costs								
Cost of Sales	51,551	33,405	-	18,146	53,991	41,800	171	12,020
Product Development and management	773	150	286	337	456	112	194	150
Marketing and Sales	592	3	31	558	623	2	39	582
Repair and maintenance	7,510	5,500	953	1,057	5,903	4,155	736	1,013
Finance	772	253	50	469	615	235	47	333
Installation/Provisioning	4,032	18	261	3,753	3,478	2	230	3,246
Network support	7,774	2,278	403	5,093	5,824	2,569	476	2,779
General management	3,842	1,236	252	2,354	3,358	955	263	2,140
Accommodation	7,248	4,817	462	1,969	5,022	3,580	370	1,073
Information Technology	2,452	1,146	223	1,083	1,723	778	178	767
Transport	711	212	117	382	428	116	79	233
Personnel and administration	378	136	38	204	282	108	35	139
Other operating expenses	11,365	40	7	11,318	6,707	13	3	6,690
Credit management and billing	682	157	158	367	356	218	96	42
Depreciation	31,542	12,714	2,215	16,613	23,980	9,480	1,781	12,719
Total HCA wholesale operating costs	131,224	62,065	5,456	63,703	112,748	64,123	4,697	43,928
Transfer charges from Wholesale / Revenue transfer to Retail	91,889	1,725	5,008	85,156	66,787	1,319	4,062	61,406
Exceptional (Gain) / Loss	(110)	(33)	(21)	(56)	(58)	(38)	(5)	(14)
Total Operating costs	223,003	63,757	10,443	148,803	179,477	65,404	8,753	105,320
Return	449	(13,346)	3,912	9,883	2,986	(11,032)	3,918	10,100
Mean capital employed	88,005	56,702	13,772	17,531	111,480	72,215	18,323	20,942
Return on capital employed	1%	-24%	28%	56%	3%	-15%	21%	48%
Return on capital employed (annualised)*	0%	-16%	19%	38%	3%	-15%	21%	48%

*In these Separated Accounts, Return on capital employed was multiplied by 12 and divided by 18 to arrive at an annualised ROCE.

Market Financial Statements

STATEMENT OF MEAN CAPITAL EMPLOYED WHOLESALE ACCESS as at 31 December 2021	31 December 2021				30 June 2020 - Restated			
	Total	Wholesale Fixed Narrowband & Unbundled Access	Wholesale Broadband Access	Wholesale Leased Lines	Total	Wholesale Fixed Narrowband & Unbundled Access	Wholesale Broadband Access	Wholesale Leased Lines
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Non Current Assets								
Property, Plant and Equipment	1,483,526	654,909	700,438	128,179	1,455,262	671,386	661,302	122,574
Intangible Assets	19,563	8,555	9,401	1,607	24,439	10,146	12,321	1,972
Right of Use Assets	65,076	17,636	36,837	10,603	46,153	12,808	26,706	6,639
Other Non Current Assets	7,274	3,141	3,480	653	6,591	2,543	3,442	606
Total Non Current Assets	1,575,439	684,241	750,156	141,042	1,532,445	696,883	703,772	131,791
Current Assets								
Inventories	6,523	2,369	3,494	660	6,378	2,327	3,426	625
Trade and other receivables	41,974	13,483	10,937	17,554	53,776	18,180	9,392	26,203
Cash and cash equivalents	106,660	46,033	51,041	9,586	100,264	38,678	52,362	9,224
Total Current Assets	155,157	61,885	65,472	27,800	160,418	59,186	65,180	36,052
Total Assets	1,730,596	746,126	815,628	168,842	1,692,863	756,069	768,951	167,843
Liabilities								
Trade and other payables	(169,573)	(68,704)	(84,102)	(16,767)	(161,842)	(66,551)	(79,654)	(15,637)
Provisions for liabilities and charges	(130,250)	(62,803)	(54,874)	(12,573)	(102,494)	(56,314)	(37,816)	(8,364)
Total Liabilities	(299,823)	(131,507)	(138,976)	(29,340)	(264,336)	(122,865)	(117,471)	(24,001)
Mean Capital Employed for the period	1,430,773	614,619	676,652	139,502	1,428,526	633,204	651,481	143,842

Market Financial Statements

STATEMENT OF MEAN CAPITAL EMPLOYED WHOLESALÉ OTHER as at 31 December 2021	31 December 2021				30 June 2020 - Restated			
	Total €'000	Wholesale Interconnect Call €'000	Wholesale Residual (Regulated) €'000	Wholesale Residual (Unregulated) €'000	Total €'000	Wholesale Interconnect Call €'000	Wholesale Residual (Regulated) €'000	Wholesale Residual (Unregulated) €'000
Non Current Assets								
Property, Plant and Equipment	95,518	43,973	12,982	38,563	101,505	47,391	14,975	39,138
Intangible Assets	3,191	862	208	2,121	4,148	1,175	293	2,679
Right of Use Assets	24,978	17,691	1,485	5,802	15,473	10,916	1,103	3,454
Other Non Current Assets	1,871	883	91	897	2,103	1,212	92	799
Total Non Current Assets	125,558	63,410	14,765	47,383	123,229	60,694	16,464	46,071
Current Assets								
Inventories	1,553	1,240	162	151	1,097	862	120	116
Trade and other receivables	28,310	9,974	1,151	17,185	53,527	27,388	3,853	22,285
Cash and cash equivalents	27,442	12,959	1,321	13,162	31,994	18,430	1,402	12,161
Total Current Assets	57,305	24,173	2,634	30,498	86,618	46,680	5,375	34,563
Total Assets	182,862	87,583	17,399	77,880	209,847	107,374	21,839	80,633
Liabilities								
Trade and other payables	(66,234)	(13,284)	(1,895)	(51,055)	(74,373)	(22,855)	(2,126)	(49,392)
Provisions for liabilities and charges	(28,624)	(17,596)	(1,733)	(9,295)	(23,993)	(12,304)	(1,390)	(10,299)
Total Liabilities	(94,858)	(30,880)	(3,628)	(60,350)	(98,366)	(35,159)	(3,516)	(59,691)
Mean Capital Employed for the period	88,004	56,703	13,771	17,530	111,480	72,215	18,323	20,942

Statement of Average Cost and Revenue by Service

Wholesale Fixed Narrowband & Unbundled Access For the 18 months ended 31 December 2021

Market summary

	External revenue	Internal revenue	Total revenue	Total operating costs	Return	Return on Turnover	Mean capital employed	ROCE
	€'000	€'000	€'000	€'000	€'000		€'000	
Eighteen months to 31 December 2021	75,603	221,532	297,135	210,712	86,423	29.09%	614,618	14.06%

Service	External revenue	Internal revenue	Total revenue	Volume	Unit	Average revenue	FAC average cost	Average revenue / cost
	€'000	€'000	€'000	000's		€	€	
SB WLR PSTN Rental & Connections	49,197	183,190	232,387	843	Lines	15.32	15.06	102%
SB WLR ISDN BRA Rental & Connections	3,149	19,216	22,365	42	Lines	29.53	14.10	209%
SB WLR ISDN FRA/PRA Rental & Connections	2,081	18,929	21,010	4	Lines	273.02	107.70	253%
LLU & Line Share Connections	29	-	29		n.m			
LLU Rental	587	169	756	2	Lines	23.56	21.01	112%
Line Share Rental	296	-	296	14	Lines	1.16	0.45	261%
Physical Co-location	1,114	28	1,142		n.m			
WSL Infrastructure	26	-	26		n.m			
National Broadband Plan	19,124	-	19,124		n.m			

	External revenue	Internal revenue	Total revenue	Total operating costs	Return	Return on Turnover	Mean capital employed	ROCE
	€'000	€'000	€'000	€'000	€'000		€'000	
Twelve months to 30 June 2020- Restated	44,152	169,011	213,163	144,536	68,627	32.19%	633,204	10.84%

Service	External revenue	Internal revenue	Total revenue	Volume	Unit	Average revenue	FAC average cost	Average revenue / cost
	€'000	€'000	€'000	000's		€	€	
SB WLR PSTN Rental & Connections	38,494	140,142	178,636	965	Lines	15.42	15.48	100%
SB WLR ISDN BRA Rental & Connections	2,392	14,252	16,644	47	Lines	29.57	14.54	203%
SB WLR ISDN FRA/PRA Rental & Connections	1,700	14,380	16,080	5	Lines	276.04	116.58	237%
LLU & Line Share Connections	40	-	40		n.m			
LLU Rental	510	48	558	3	Lines	18.49	17.59	105%
Line Share Rental	278	-	278	20	Lines	1.13	0.34	336%
Physical Co-location	736	188	924		n.m			
WSL Infrastructure	2	-	2		n.m			

Statement of Average Cost and Revenue by Service

Wholesale Broadband Access
For the 18 months ended 31 December 2021

Market summary

	External revenue	Internal revenue	Total revenue	Total operating costs	Return	Return on Turnover	Mean capital employed	ROCE
	€'000	€'000	€'000	€'000	€'000		€'000	
Eighteen months to 31 December 2021	161,043	167,037	328,080	197,755	130,325	39.72%	676,652	19.26%

Service	External revenue	Internal revenue	Total revenue	Volume	Unit	Average revenue	FAC average cost	Average revenue / cost
	€'000	€'000	€'000	000's		€	€	
WBA Connections	7,132	9,068	16,200		n.m			
CGA Rental	11,573	16,095	27,668	160	Lines	9.63	6.80	142%
NGA Rental	139,037	136,790	275,827	803	Lines	19.08	12.74	150%
CGA Usage	554	406	960	127	Lines	0.42	4.34	10%
NGA Usage	2,747	4,678	7,425	551	Lines	0.75	2.85	26%

	External revenue	Internal revenue	Total revenue	Total operating costs	Return	Return on Turnover	Mean capital employed	ROCE
	€'000	€'000	€'000	€'000	€'000		€'000	
Twelve months to 30 June 2020- Restated	90,218	101,543	191,761	138,723	53,038	27.66%	651,481	8.14%

Service	External revenue	Internal revenue	Total revenue	Volume	Unit	Average revenue	FAC average cost	Average revenue / cost
	€'000	€'000	€'000	000's		€	€	
WBA Connections	4,205	4,843	9,048		n.m			
CGA Rental	11,783	15,129	26,913	221	Lines	10.16	6.24	163%
NGA Rental	72,090	76,446	148,536	731	Lines	16.93	14.95	113%
CGA Usage	783	524	1,306	171	Lines	0.64	4.80	13%
NGA Usage	1,357	4,600	5,957	498	Lines	1.00	4.09	24%

Average Rental revenue and costs are monthly averages

The year on year fluctuations in average revenue are as a result of a pricing rebalance between usage and rental as part of D11/18.

Rental volumes are average volumes

n.m = not measurable

Statement of Network Costs Wholesale Markets

For the 18 months ended 31 December 2021

Full allocated cost (€'000)	Operating costs	Exceptional Operating Costs	Mean capital employed	Applicable rate of return on capital %	Capital costs	Total of operating costs and capital costs	Volume	Average costs per unit
Copper Access Network	120,611	(349)	591,371	9.25%	54,682	174,944	1,135,108	154.12
Fibre/High Speed Access Network	12,003	(73)	72,807	9.25%	6,732	18,662	11,287	1,653.44
NGA	113,022	(270)	545,025	9.25%	50,399	163,151	(a)	(a)
Pole Access (NBI)	1,085	(3)	6,499	9.25%	601	1,682	(a)	(a)
Duct Access (NBI)	209	(0)	2,775	9.25%	257	466	(a)	(a)
DSL Equipment	10,865	(4)	10,893	9.25%	1,007	11,868	(a)	(a)
Other Access Equipment	1,101	-	2,391	9.25%	221	1,322	(a)	(a)
Provisioning	10,789	(47)	11,510	9.25%	1,064	11,806	(a)	(a)
Repair	69,603	(669)	19,117	9.25%	1,768	70,702	(a)	(a)
<i>Line Sensitive</i>								
Subscriber Unit	15,187	(12)	21,522	9.25%	1,990	17,165	888,467	19.32
<i>Call Sensitive</i>	5,613	(7)	6,550	9.25%	606	6,212	(a)	(a)
<i>Traffic sensitive</i>	6,507	(8)	9,966	9.25%	922	7,421	(a)	(a)
Interconnect Equipment	251	-	(736)	9.25%	(68)	183	(a)	(a)
Intelligent Network	586	-	(228)	9.25%	(21)	565	1,895,858	0.298
Other Switching Elements	97	-	163	9.25%	15	112	(a)	(a)
<u>Transmission network</u>								
<i>Transmission: Non-length dependent</i>								
PSTN link	9,320	(10)	10,175	9.25%	941	10,251	4,002,552	0.256
Interconnect link	784	(1)	1,186	9.25%	110	893	(a)	(a)
Data incl leased Lines link	2,800	(3)	3,210	9.25%	297	3,094	(a)	(a)
DSL transmission link	4,646	(5)	4,966	9.25%	459	5,100	(a)	(a)
Other data link	1,493	(1)	1,778	9.25%	164	1,656	(a)	(a)
NGN link	39,452	(26)	47,667	9.25%	4,408	43,834	(a)	(a)
Other transmission link	2,360	(2)	3,687	9.25%	341	2,699	(a)	(a)
<i>Transmission: Length dependent</i>								
PSTN length	4,020	(5)	16,459	9.25%	1,522	5,537	1,302,735	0.425
Interconnect Length	103	-	345	9.25%	32	135	(a)	(a)
Data incl leased Lines length	1,079	(1)	4,397	9.25%	407	1,485	(a)	(a)
DSL transmission length	2,056	(3)	8,494	9.25%	785	2,838	(a)	(a)
Other data length	2,936	(3)	10,540	9.25%	975	3,908	(a)	(a)
Transmission: Optical	4,031	(5)	18,176	9.25%	1,681	5,707	(a)	(a)
NGN length	15,794	(24)	61,897	9.25%	5,723	21,493	(a)	(a)
Other transmission length	258	-	738	9.25%	68	326	(a)	(a)
<u>Data platforms</u>								
Legacy Leased Lines	3,385	(4)	4,368	9.25%	404	3,785	(a)	(a)
Other Data	1,725	(2)	5,548	9.25%	513	2,236	(a)	(a)
IMS Platform	13,010	(3)	18,116	9.25%	1,675	14,682	(a)	(a)
Outpayments	63,584	-	11,564	9.25%	1,069	64,653	(a)	(a)
Carrier Administration	10,393	(8)	5,913	9.25%	547	10,931	(a)	(a)
Carrier billing	5,572	(4)	13,170	9.25%	1,218	6,786	(a)	(a)
Other SMP elements	4,483	-	(5,424)	9.25%	502	3,981	(a)	(a)
Non-SMP elements	26,077	(61)	(27,817)	9.25%	(2,572)	23,444	(a)	(a)
Total	586,890	(1,614)	1,518,778	9.25%	140,438	725,714		

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

Statement of Network Costs Wholesale Markets
For the year ended 30 June 2020- Restated

Full allocated cost (€'000)	Operating costs	Exceptional Operating Costs	Mean capital employed	Applicable rate of return on capital %	Capital costs	Total of operating costs and capital costs		Average costs per unit
						Costs	Volume	
Copper Access Network	86,846	(35)	613,471	8.18%	50,182	136,993	1,238,698	110.59
Fibre/High Speed Access Network	8,197	(6)	65,555	8.18%	5,362	13,553	11,280	1,201.43
NGA	74,554	(54)	493,563	8.18%	40,373	114,874	(a)	(a)
DSL Equipment	7,717	(22)	16,952	8.18%	1,387	9,081	(a)	(a)
Other Access Equipment	1,009	-	2,865	8.18%	234	1,243	(a)	(a)
Provisioning	8,485	(3)	12,312	8.18%	1,007	9,490	(a)	(a)
Repair	52,977	(49)	10,216	8.18%	836	53,764	(a)	(a)
<i>Line Sensitive</i>								
Subscriber Unit	9,546	(26)	22,746	8.18%	1,861	11,381	1,017,438	11.19
Call Sensitive	3,877	(8)	6,770	8.18%	554	4,422	(a)	(a)
Traffic sensitive	4,630	(10)	8,484	8.18%	694	5,314	(a)	(a)
Interconnect Equipment	322	-	(786)	8.18%	64	258	(a)	(a)
Intelligent Network	520	-	3	8.18%	0	520	1,344,905	0.39
Other Switching Elements	43	-	245	8.18%	20	63	(a)	(a)
<u>Transmission network</u>								
<i>Transmission: Non-length dependent</i>								
PSTN link	8,414	(18)	12,487	8.18%	1,021	9,418	2,853,413	3.30
Interconnect link	699	(1)	1,427	8.18%	117	814	(a)	(a)
Data incl leased Lines link	2,601	(5)	4,051	8.18%	331	2,927	(a)	(a)
DSL transmission link	4,569	(9)	6,482	8.18%	530	5,090	(a)	(a)
Other data link	1,340	(3)	2,169	8.18%	177	1,515	(a)	(a)
NGN link	29,656	(37)	61,298	8.18%	5,014	34,633	(a)	(a)
Other transmission link	2,024	(4)	4,244	8.18%	347	2,367	(a)	(a)
<i>Transmission: Length dependent</i>								
PSTN link	2,732	-	15,596	8.18%	1,276	4,008	928,718	4.32
Interconnect Length	74	-	351	8.18%	29	103	(a)	(a)
Data incl leased Lines length	786	-	4,506	8.18%	369	1,155	(a)	(a)
DSL transmission length	1,658	-	9,534	8.18%	780	2,438	(a)	(a)
Other data length	2,219	-	11,240	8.18%	919	3,139	(a)	(a)
Transmission: Optical	2,114	(1)	14,133	8.18%	1,156	3,269	(a)	(a)
NGN length	12,765	(6)	69,341	8.18%	5,672	18,431	(a)	(a)
Other transmission length	187	(0)	622	8.18%	51	237	(a)	(a)
<u>Data platforms</u>								
Legacy Leased Lines	2,724	(4)	5,216	8.18%	427	3,147	(a)	(a)
Other Data	1,258	(3)	4,096	8.18%	335	1,591	(a)	(a)
IMS Platform	9,877	(2)	19,576	8.18%	1,601	11,477	(a)	(a)
Outpayments	53,512	-	6,341	8.18%	519	54,031	(a)	(a)
Carrier Administration	8,938	(16)	8,500	8.18%	695	9,617	(a)	(a)
Carrier billing	3,354	-	58,500	8.18%	4,785	8,139	(a)	(a)
Other SMP elements	3,367	(1)	2,410	8.18%	197	3,563	(a)	(a)
Non-SMP elements	15,341	(3)	(34,512)	8.18%	2,823	12,515	(a)	(a)
Total	428,932	(326)	1,540,007	8.18%	125,973	554,579		

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

Network Cost Market Summary Wholesale Markets
For the 18 months ended 31 December 2021

Full allocated Cost (€'000)	Total Operating and Capital Costs	Wholesale Fixed			Wholesale Interconnect Call Conveyance	Wholesale Residual (Regulated)	Wholesale Residual (Unregulated)
		Narrowband & Unbundled Access	Wholesale Leased Lines	Wholesale Broadband Access			
Copper access network	174,944	162,828	506	11,610	-	-	-
Fibre/High Speed Access Network	18,662	1,633	14,635	32	-	1,979	383
NGA	163,151	-	-	163,151	-	-	-
Pole Access (NBI)	1,682	1,682	-	-	-	-	-
Duct Access (NBI)	466	466	-	-	-	-	-
DSL equipment	11,868	-	-	11,868	-	-	-
Other access equipment	1,322	747	501	74	-	-	-
Provisioning wholesale networks	11,806	6,816	1,074	3,426	-	387	103
Repair wholesale networks	70,702	51,601	764	17,338	132	857	10
<i>Line Sensitive</i>							
Subscriber unit - line sensitive	17,165	16,893	-	-	-	-	272
<i>Call Sensitive</i>	6,212	-	-	-	6,212	-	-
<i>Traffic sensitive</i>	7,421	-	-	-	7,421	-	-
Interconnect equipment	183	-	-	-	(20)	203	-
Intelligent Network	565	-	-	-	565	-	-
Other switching elements	112	-	-	-	90	22	-
<u>Transmission network</u>							
<i>Transmission: Non-length dependent</i>							
PSTN link	10,251	-	-	-	10,251	-	-
Interconnect link	893	-	-	-	-	893	-
Data incl leased lines link	3,094	305	2,593	8	182	-	6
DSL transmission link	5,100	-	-	5,100	-	-	-
Other data link	1,656	-	930	534	-	7	185
NGN Link	43,834	-	18,805	23,578	139	-	1,312
Other transmission link	2,699	1,361	454	5	112	491	276
<i>Transmission: Length dependent</i>							
PSTN length	5,537	-	-	-	5,537	-	-
Interconnect length	135	-	-	-	-	135	-
Data incl leased lines length	1,485	116	1,290	3	71	-	5
DSL transmission length	2,838	-	-	2,838	-	-	-
Other data length	3,908	-	2,966	431	-	24	487
Transmission: Optical	5,707	-	3,783	-	-	-	1,924
NGN length	21,493	-	4,436	17,038	-	-	19
Other transmission length	326	108	100	11	12	13	82
<u>Data platforms</u>							
Legacy leased lines	3,785	1,592	1,945	11	212	25	-
Other data platforms	2,236	-	404	904	-	273	655
IMS Platform	14,682	-	-	-	-	-	14,682
Outpayments	64,653	15,544	208	82	33,775	-	15,044
Carrier administration	10,931	3,126	1,753	1,861	192	522	3,477
Carrier billing	6,785	2,125	865	(798)	2,197	318	2,078
Other SMP elements	3,981	429	575	1,210	195	559	1,013
Non-SMP elements	23,444	175	6	8	-	-	23,255
Total Wholesale Costs	725,714	267,547	58,593	260,323	67,275	6,708	65,268

Network Cost Market Summary Wholesale Markets

For the year ended 30 June 2020- Restated

Full allocated Cost (€'000)	Total Operating and Capital Costs	Wholesale Fixed Narrowband & Unbundled Access	Wholesale Leased Lines	Wholesale Broadband Access	Wholesale Interconnect Call Conveyance	Wholesale Residual (Regulated)	Wholesale Residual (Unregulated)
Copper access network	136,993	128,431	504	8,058	-	-	-
Fibre/High Speed Access Network	13,553	1,222	10,164	27	-	1,901	239
NGA	114,874	-	-	114,874	-	-	-
DSL equipment	9,081	-	-	9,081	-	-	-
Other access equipment	1,243	740	404	97	-	-	2
Provisioning wholesale networks	9,490	6,006	940	2,069	-	335	139
Repair wholesale networks	53,764	41,031	660	11,394	104	562	13
<i>Line Sensitive</i>							
Subscriber unit - line sensitive	11,381	11,381	-	-	-	-	-
<i>Call Sensitive</i>							
	4,422	-	-	-	4,422	-	-
<i>Traffic sensitive</i>							
	5,314	-	-	-	5,314	-	-
Interconnect equipment	259	-	-	-	(36)	294	-
Intelligent Network	520	-	-	-	520	-	-
Other switching elements	63	-	-	-	5	58	-
<u>Transmission network</u>							
<i>Transmission: Non-length dependent</i>							
PSTN link	9,418	-	-	-	9,418	-	-
Interconnect link	814	-	-	-	-	814	-
Data incl leased lines link	2,926	265	2,500	7	150	-	4
DSL transmission link	5,090	-	-	5,090	-	-	-
Other data link	1,515	5	858	491	-	5	155
NGN Link	34,633	-	12,706	20,805	-	-	1,122
Other transmission link	2,367	1,239	366	4	105	468	184
<i>Transmission: Length dependent</i>							
PSTN length	4,007	-	-	-	4,007	-	-
Interconnect length	102	-	-	-	-	102	-
Data incl leased lines length	1,155	81	1,019	2	46	-	6
DSL transmission length	2,437	-	-	2,437	-	-	-
Other data length	3,138	-	2,418	364	-	17	339
Transmission: Optical	3,269	-	2,299	-	-	-	970
NGN length	18,431	-	3,630	14,766	-	-	35
Other transmission length	237	69	70	13	11	10	63
<u>Data platforms</u>							
Legacy leased lines	3,147	1,333	1,628	9	159	19	-
Other data platforms	1,591	-	338	489	-	2	761
IMS Platform	11,477	-	-	-	-	-	11,477
Outpayments	54,031	(527)	176	34	41,989	-	12,358
Carrier administration	9,620	2,935	1,289	1,738	142	640	2,876
Carrier billing	8,139	1,559	2,056	(741)	3,317	455	1,493
Other SMP elements	3,563	462	431	891	318	507	953
Non-SMP elements	12,516	98	(30)	13	-	-	12,435
Total Wholesale Costs	554,578	196,331	44,427	192,012	69,992	6,190	45,626

Notes to the Separated Accounts

Note 1a: Basis of preparation of the Separated Accounts

eircom Limited has changed its financial year-end date from 30 June to 31 December. As such, the financial period ended 31 December 2021 covers an 18-month period from 1 July 2020 to 31 December 2021, compared with the prior 12-month financial year ended 30 June 2020. In these Separated Accounts, Return on Capital Employed was multiplied by 12 and divided by 18 to arrive at an annualised ROCE.

The financial information for the 18 months ended 31 December 2021 in these Separated Accounts is prepared by attributing the balances in eircom Limited's general ledgers and other accounting records to the Markets and disaggregated Activities.

The structure of the Separated Accounts required under the Decision Notices does not correspond to the way in which the group is organised and hence the way the statutory accounting records are structured. The Separated Accounts are therefore produced by overlaying the requirements of the Decision Notices on the statutory accounting record structure of eircom Limited.

These Separated Accounts are prepared by attributing the balances in eircom Limited's general ledgers and other accounting records (as amended by Directions published by ComReg) to the Markets and disaggregated Activities. As required by the Decision Notices, wherever possible, revenue, costs, assets and liabilities are directly associated with either a Market or Network element using information recorded within eircom Limited'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 Markets 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 sections within the Accounting Documents.

Typically, in a fully allocated accounting system, a number of attribution methods are available. In selecting financial attribution methods and appropriate non-financial data for use within the attribution models employed in the production of the Separated Accounts, eircom Limited 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 relevant directions.

Market Group	Markets
Wholesale Access	Wholesale Fixed Narrowband and Unbundled Access Wholesale Broadband Access Wholesale Leased Lines
Wholesale Other	Wholesale Interconnect Call Conveyance Wholesale Residual (Regulated) Wholesale Residual (Unregulated)

Notes to the Separated Accounts

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

The financial data included in these Separated Accounts are presented in thousands, and has been subject to rounding adjustments. As a result, the totals of the data in this document may vary slightly from the actual arithmetic totals.

The Separated Accounts are required to be prepared for the wholesale market groups and for individual markets within these wholesale market groups, as set out in the Decision Notices, and as agreed annually with ComReg. The table above shows the specific Separated Accounts requirements for the 18 months ended 31 December 2021.

Note 1b: Comparative Figures and Methodology Changes

ComReg requires that where data for the previous financial year is not comparable, as a result of a material change in accounting policy, cost attribution or material error, the figures for the preceding year must be adjusted to the extent that it is reasonable to do so.

The preparation of these Separated Accounts requires estimation of the appropriate utilisation of network equipment by pre-defined product and service offerings. The principles under which the Separated Accounts are

prepared require that the network cost components are aligned as closely as possible with the external and IBU revenues arising in respect of these specific products. The determination of the appropriate usage of network components requires a level of estimation and certain assessments have been revised in this respect in the current year to more closely align the revenues and costs at the product level. A summary of re-statements is as under:

1. Legacy Leased lines IBU: A price by quantity approach was employed to better represent the heretofore "Retail minus" methodology. In applying the methodology retrospectively, to the prior year, results in a lower transfer charge to Retail (Residual) of €2.7M. Correspondingly, Internal IBU revenue decreased by €2.5M in Wholesale Leased Lines market and by €0.2M in Wholesale Other market.
2. Pole Study: The FY20 Pole Study driver values were not fully updated from FY19. This error resulted in an overstatement of €0.3M operating costs and 2.8M Mean Capital Employed (MCE) in the Narrowband market and the corresponding understatement (in NGA Rental & Usage), in the Wholesale Broadband Access market. The effect on the Network Statement of Costs (NSOC) was a movement from the Copper Access Network element to the NGA network element of €0.4M operating costs and €3M MCE.
3. Leases: In the prior year Separated Accounts, the reversal of right of use assets impairment was understated and lease liabilities were overstated by €17M and €12.2M, respectively with a MCE impact of €15M. These have now been rectified and re-stated, retrospectively.

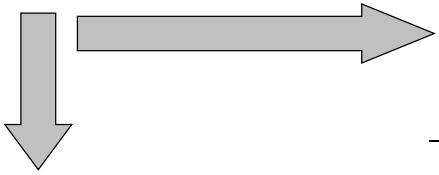
Notes to the Separated Accounts

The overall impact of these changes is summarised below.

	2020 Original Return €'000	2020 Restated Return €'000	2020 Original MCE €'000	2020 Restated MCE €'000	2020 Original ROCE %	2020 Restated ROCE %
Wholesale Narrowband & Unbundled Access	68,225	68,627	633,545	633,204	11%	11%
Wholesale Broadband Access	53,416	53,038	643,107	651,481	8%	8%
Wholesale Leased Lines	44,494	41,968	142,511	143,842	31%	29%
Total Wholesale Access	166,136	163,632	1,419,163	1,428,526	12%	11%
Wholesale Interconnect Voice	(11,012)	(11,032)	70,065	72,215	(16%)	(15%)
Wholesale Regulated Other	4,009	3,918	18,102	18,323	22%	21%
Wholesale Unregulated Other	10,283	10,100	20,256	20,942	51%	48%
Total Wholesale Other	3,280	2,986	108,423	111,480	3%	3%
Total Wholesale	169,416	166,618	1,527,587	1,540,007	11%	11%

There have been no other material changes in accounting policy, cost attribution or material errors noted which require restatement.

Note 2: Intra/Inter Business Turnover Reconciliation

FROM / TO		Wholesale Access 31-Dec-21 Intra €'000	Wholesale Other 31-Dec-21 Intra €'000	Retail 31-Dec-21 Intra €'000	Total 31-Dec-21 Intra €'000	Wholesale Access 31-Dec-21 Inter €'000	Wholesale Other 31-Dec-21 Inter €'000	Retail 31-Dec-21 Inter €'000	Total 31-Dec-21 Inter €'000
									
Wholesale Access:	Wholesale Fixed Narrowband Access	-	68,538	152,797	221,335	-	-	-	-
	Wholesale Unbundled Access	-	169	-	169	-	-	28	28
	Wholesale Broadband Access	-	10,162	156,875	167,037	-	-	-	-
	Wholesale Leased Lines	-	1,725	48,534	50,260	-	-	30,784	30,784
	Total	-	80,594	358,207	438,801	-	-	30,812	30,812
Wholesale Other:	Wholesale Interconnect Call Conveyance	-	3,923	20,528	24,451	-	-	8,673	8,672
	Wholesale Residual (Regulated)	-	1,365	2,064	3,428	-	-	1,504	1,504
	Wholesale Residual (Unregulated)	-	-	26,852	26,852	-	-	8,762	8,762
	Total	-	5,287	49,444	54,731	-	-	18,938	18,938
Retail	Total	-	4,653	-	4,653	375	12,326	18,733	31,434
TOTAL		-	90,534	407,650	498,185	375	12,326	68,482	81,184

Note 3: Income Statement Reconciliation

Consolidated Wholesale Market Groups For the 18 months ended 31 December 2021

	Eighteen months to 31 December 2021			Restated Twelve months to 30 June 2020		
	Revenue	Operating costs	Return	Revenue	Operating costs	Return
	€'000	€'000	€'000	€'000	€'000	€'000
Wholesale Access	752,020	454,161	297,859	479,550	315,917	163,632
Wholesale Other	223,452	223,003	449	182,462	179,477	2,986
Total Wholesale Market Groups	975,472	677,164	298,308	662,012	495,394	166,618
Other Markets - Retail	1,380,414	1,176,529	203,885	919,806	798,712	121,095
Total Market Groups	2,355,886	1,853,693	502,193	1,581,818	1,294,106	287,713
Adjustments						
Elimination of Inter Business turnover and costs between wholesale and retail	(56,242)	(56,242)	-	(36,244)	(36,244)	-
Transfer charges between Retail and Wholesale	(498,413)	(496,578)	(1,836)	(350,490)	(351,745)	1,255
Interest payable and similar charges disallowed			(131,309)			(109,224)
Profit/(loss) on disposal of investments and impairment		(153,944)	153,944			-
Profit on disposal of Lease assets		(5,031)	5,031			-
Share of profit of associates			11,518			7,615
Tax on profits on ordinary activities			(15,097)			(6,567)
Impact of change to asset lives		38,294	(38,294)		25,532	(25,532)
Brand Amortisation disallowed		6,350	(6,350)		25,400	(25,400)
Fair Value Adjustments		37,406	(37,406)		31,157	(31,157)
IFRS 16 impairment adjustment		(6,576)	6,576		(4,384)	4,384
IFRS pension finance cost disallowed			(10,281)			(2,758)
Fair Value Lease Adjustment		(1,459)	1,459		(1,326)	1,326
Non relevant eircom operating costs		107,083	(107,083)		79,991	(79,991)
As in the statutory financial statements	1,801,230	1,322,995	333,066	1,195,085	1,062,486	21,664

Note 4: Statement of Mean Capital Employed Reconciliation
Consolidated Wholesale Market Groups

Statement of Mean Capital Employed Reconciliation
For the 18 months ended 31 December 2021

	Capital employed December-2021 €'000	(Restated) Capital employed June-2020 €'000
Shareholders' funds as in the statutory financial statements	(1,364,879)	(1,145,317)
Reconciling items		
Finance Income Payable / (Receivable) Net	5,633	5,541
Taxation	9,509	8,833
Deferred Taxation provision (net)	67,415	110,546
Restructuring Provision	20,046	29,024
Pension Benefit (Asset)/Liability	(349,389)	(468,341)
Capitalised interest	(217)	398
Liabilities for non relevant eircom operating costs	65,154	68,293
IFRS 3 Purchase Price Allocation Adjustment	(25,345)	(63,622)
Deferred connections	(8,484)	(10,257)
Intangible assets	-	(9,519)
ROU asset impairment	59,188	65,765
Goodwill	(267,645)	(209,497)
Elimination of financing balances	(45,848)	(29,254)
Elimination of intercompany financing balances	3,310,775	3,001,623
Closing capital employed	1,475,914	1,354,217
Opening capital employed	1,354,217	1,403,957
Total adjusted mean capital employed before determined adjustments	1,415,066	1,379,087
Impact of changes to asset lives	515,065	487,517
Total mean capital employed	1,930,130	1,866,604
Wholesale Access	1,430,773	1,428,526
Wholesale Other	88,006	111,480
Retail	411,351	326,597
Total mean capital employed	1,930,130	1,866,604

Annex 1: Explanatory Report

Explanatory Report – HCA Separated Accounts

This explanatory report sets out, and clarifies, trends relating to relevant wholesale markets including any significant future impact on eir's business of Regulatory Decisions, which have been published by ComReg. The report includes commentary in respect of:

- Trends relating to revenue, by Relevant Wholesale Market;
- Trends relating to volumes, by Relevant Wholesale Market;
- Significant period on period movements in the reported performance and balances;
- One-off or exceptional events in the period; and
- The impact of material changes in accounting policies, methodologies and estimation techniques (if any) and the extent to which they impact on eir's Separated Accounts.

The change in financial year end of the company resulted in reporting 18 months financial performance for FY2021 as opposed to 12 months for FY19/20. Reporting on 18 months means that the trends to the 12 month period FY19/20 are not comparable on an annual basis. Therefore, this explanatory report uses an average monthly basis to explain trends and movements in revenues and costs.

Average monthly revenue in the wholesale market reported a decrease of 2% in FY2021 mainly due to reduction in volumes of narrowband access during FY2021. Average monthly operating costs in these markets also witnessed a decrease of 9% which is attributed to reduction in pay related costs, IAS 19 pension charge and insurance compensation.

The FY2021 annualized return on wholesale markets increased by 2 percentage points in comparison with that of FY19/20.

In terms of the fixed line business, the group continues to significantly invest in access network infrastructure, as we roll out the Irish Fibre Network (IFN). The IFN is being expanded to approximately 1.9 million premises across urban and suburban Ireland. As of 31 December 2021, approximately 746,000 (30 June 2020: 576,000) premises have been passed.

Each of relevant wholesale markets are considered in more detail in the following sections.

Note 1 - Wholesale Network Input (WNI): As described in the Primary Accounting Documentation, the WNI has not been applied to the transfer charges. If the WNI were to be applied, we would expect wholesale transfer charges to be lower.

Note 2 – Volumes: References to volumes in this report relate to average volumes in FY2021 and growth trends refer to year on year movements in such average volumes compared to the prior year. Such movements may differ considerably from changes between opening and closing volumes in the financial year, and in particular from growth measures in ComReg Report 22/19, which contains Key Data for the market for the 18 months ended 31 December 2021.

Explanatory Report - Wholesale Access Business - Wholesale Fixed Narrowband & Unbundled Access

Market Definition

The Wholesale Fixed Narrowband Access market consists of links between end users and concentrators, including analogue and ISDN technologies.

The market for Wholesale Unbundled Access consists of the provision of direct access to open eir copper connections between customer premises and Main Distribution Frames (MDFs). This market provides services wholly to other OAOs, as eir Retail acquires copper connections through more consolidated products (Wholesale Line Rental & Wholesale Bitstream Access).

Key Market Products

The Wholesale Fixed Narrowband Access market largely consists of products providing wholesale access to PSTN and ISDN lines, known as Single Billing Wholesale Line Rental ('SB-WLR'). Open eir's Reference Interconnect Offer (RIO) includes a number of principal SB-WLR products within this market:

- PSTN and ISDN Connections;
- PSTN Rentals;
- ISDN Basic Rate Access (BRA) Rentals;
- ISDN Primary Rate Access (PRA) Rentals; and
- ISDN Fractional Rate Access (FRA) Rentals.

Open eir provides these wholesale services both externally to Other Authorised Operators ('OAOs') and internally to eir Retail.

Open eir's Access Reference Offer (ARO) includes three principal products:

- Unbundled Local Metallic Path (ULMP) – LLU;
- Line Share (LS); and
- Civil Engineering Infrastructure (CEI).

In addition, a number of ancillary services exist in support of these principal services, including:

- Connection charges;
- Co-Location fees;
- Disconnection charges; and
- Site preparation charges.

Regulatory Decisions in the period

ComReg issued Direction 21/60 on 8 June 2021 without public consultation in respect of open eir's Sub Duct Self Install product development. The Direction stated that "*Eircom may leave unblocking of Ducts to Access Seekers save that Eircom shall, upon request from an Access Seeker, undertake repair of Ducts where repair is required.*" ComReg directed that eir is responsible for the costs of unblocking. On 8 October 2021 ComReg issued a revised Direction 21/60R directing eir to allow Access Seekers do unblocking work, with eir to pay their costs. eir issued proceedings to the High Court appealing the amended Direction on 5 November 2021. A hearing date has been set for July 2022.

Explanatory Report - Wholesale Access Business - Wholesale Fixed Narrowband & Unbundled Access

Trends in Reported Balances

Revenues/Volumes

Our share of the voice subscription market continues to decline due to the impact of competition and alternative technologies and stood at 39.5% at December 2021 (per ComReg 22/19). Average monthly revenues in the narrowband market have decreased by 7% in FY2021 mainly due to decline in the line base.

Operating Costs

Average monthly operating costs have decreased by 3% in FY2021 which is primarily driven by lower insurance and compensation costs, a decrease in pay costs and IAS 19 pension charge partially offset by an increase in cost of sales relating to NBP rollout. In addition, the shift of costs from narrowband to broadband access continues as the standalone broadband base continues to grow.

Return on Capital Employed (ROCE)

Decline in Wholesale Line Rental ('WLR') revenue due to lower volumes partially offset by lower operating costs resulted in Wholesale Narrowband and Unbundled Access average monthly returns decreasing by 16%, while annualised ROCE decreased from 11% to 9%. Mean Capital Employed dropped due to focus on fibre technologies and higher share of common assets to fibre and lower copper investments.

Exceptional Events/Methodology Changes

The duct and pole methodologies have been updated to account for the access by NBI to pole and duct infrastructure to facilitate the National Broadband Plan. The revenues, costs and returns of facilitating the NBP are reflected in this market statement.

Exceptional losses arise from the disposal of assets which are no longer required.

Explanatory Report - Wholesale Access Business - Wholesale Broadband Access

Market Definition

The market is defined by ComReg as consisting of:

- Wholesale Broadband Access ('WBA') provided over xDSL/copper network infrastructure; and
- WBA provided over G.PON/fibre network infrastructure.

Key Market Products

Open eir's Wholesale Bitstream Access Reference Offer (WBARO) currently includes the following principal product types:

- ADSL Legacy Bitstream access, which is regarded as Current Generation Access (CGA);
- ADSL Bitstream Managed Backhaul (BMB) access, including port rental and traffic (also regarded as CGA);
- Bitstream Plus Next Generation Access (NGA) products, provided by a combination of:
 - fibre to the premises or home (FttP/FttH)
 - VDSL, launched from exchange buildings (EVDSL) or cabinet (FTTC)
- Multicast Bitstream service, which supports delivery of linear TV services (regarded as NGA).

These products are segmented by service characteristic, primary line speed and contention ratio. The products are offered both externally to OAOs and internally to eir Retail operations.

The WBA market includes returns from the largely deregulated Wholesale Central Access Market with 0.8m of 1.3m subscriptions designated in the deregulated urban market per D11/18. The accounts do not distinguish between Regional and urban markets.

Regulatory Decisions in the period

In December 2021, ComReg published ComReg Decision D11/21 which adopts an Access Network Model which replaces, for the purpose of setting the prices for a number of regulated wholesale access services provided by Eircom (LLU, SLU, Line Share, Dark Fibre and CG SABB), the cost model previously used by ComReg (the Revised CAM). The Decision also sets the prices which Eircom can charge from March 2022 for these wholesale access services as well as for Eircom's CG Bitstream and FTTC based wholesale broadband services.

Eircom appealed Decision D11/21 to the High Court in January 2022 and the hearing of the Appeal is scheduled to commence in July 2022.

Trends in Reported Balances

Revenues/Volumes

The rate of decline in the CGA base continued in FY2021. The rate of decline in average CGA base during FY 2021 was 29% (FY1920: 13%). The NGA base continues to grow as FTTH Irish Fibre Network is rolled out in the urban footprint.

Explanatory Report - Wholesale Access Business - Wholesale Broadband Access

Average monthly revenues in the WBA market increased 14% in FY2021 due to growth in NGA volume 10% (FY1920: 9%), offset by decreased revenue from CGA. The trend towards Standalone Broadband (SABB) remains a contributing factor to revenue growth in the WBA NGA market particularly with regards to FTTH. SABB has the effect of transferring duct, poles and cable costs from the wholesale fixed narrowband access market.

Operating Costs

Overall average monthly operating costs decreased by 5% mainly due to the lower insurance and compensation costs and a decrease in IAS 19 pension charge offset by increased allocation of costs from narrowband market.

Return on Capital Employed (ROCE)

MCE has increased by 4%, due to continued increased investment in NGA and increased allocation of asset base into this market. Due to increase in average monthly operating profit, the annualized ROCE improved from 8% in FY19/20 to 13% in FY2021.

Exceptional Events/Methodology Changes

Exceptional gains arise from the disposal of assets which are no longer required.

Explanatory Report - Wholesale Access Business - Wholesale Leased Lines

Market Definition

This market consists of the supply of all leased line connectivity to OAOs and eir Retail. This market consists of three broad leased lines categories:

- Wholesale Ethernet Services;
- Wholesale Leased Lines; and
- Partial Private Circuits (PPC).

Key Market Products

These products are segmented by service characteristic, primary capacity/bandwidth and distance.

ComReg issued the market review “Wholesale High Quality Access at a Fixed Location”. ComReg has defined six separate WHQA Markets having regard to an assessment of demand-side and supply-side conditions, as well as the effectiveness of indirect constraints emanating from the Relevant Retail LL Markets. As part of this decision notice, Zone A and Zone B’s were defined. Each zone corresponded to a specific geographic area distinguishable according to a grouping of ‘Small Areas’, where ComReg considered that the conditions of competition in Zone A are similar or sufficiently homogeneous and which can be distinguished from the Zone B area in which the prevailing conditions of competition are appreciably different.

Regulatory Decisions in the period

There were no new Regulatory Decisions during the eighteen month period ended 31 December 2021.

Trends in Reported Balances

Revenues/Volumes

Average monthly revenue increased by 13% due to continued growth in average monthly Ethernet revenue (19%). Legacy PPC and Leased Line rental average monthly revenue decreased by 25% as volumes continue to decline due to migration to Ethernet services and increased competition from alternative infrastructure, including self-supply by OAOs. The other significant reduction in revenue is due to the transfer charge for Wholesale Legacy Leased Lines been updated to reflect a price by quantity methodology in place of Retail minus approach previously adopted.

Operating Costs

Average monthly costs decreased by 7% in comparison with the prior period largely due to reduction in pay related costs and IAS 19 pension charge.

Return on Capital Employed (ROCE)

The annualized ROCE increased to 39%, impacted primarily by increasing revenues. Mean capital employed decreased by 3%.

Explanatory Report - Wholesale Access Business - Wholesale Leased Lines

Exceptional Events/Methodology Changes

The Transfer charge for Wholesale Legacy Leased Lines has been updated to reflect a price by quantity methodology in place of Retail minus approach previously adopted.

The exceptional losses arise from the disposal of assets which are no longer required.

Explanatory Report - Wholesale Other Business - Wholesale Call Conveyance

Market Definition

This market consists of:

- Wholesale Call Origination - the conveyance and routing of calls, originating at a fixed location, through any switching stages up to a point of handover. The point of handover can be the primary, tandem, or double tandem exchange associated with the access path on which the call was originated;
- Wholesale Call Transit - wholesale national call transit services on the public telephone network at a fixed location, including inter alia all elements of call routing that take place between Call Origination and Call Termination, and as further defined in Section 6 of ComReg Decision D05/15; and
- Wholesale Call Termination - the conveyance of calls terminating on geographic numbers on eir exchange lines from relevant parent exchanges to the subscriber unit.

Key Market Products

Open eir's Reference Interconnect Offer (RIO) includes a number of products that utilise call origination and call termination:

- Primary Call Origination or Termination;
- Single Tandem Call Origination or Termination; and
- Double Tandem Call Origination or Termination

For single tandem and double tandem call types, there may be a transit component in addition to the call origination and/or call termination components. Open eir's Commercial Interconnection Services Price List (CISPL) includes the national call transit product. In relation to transit calls to mobile or Number Translation Codes (for

example premium rate calls), the price must recover the relevant outpayments.

Regulatory Decisions in the period

There were no Regulatory Decisions in the eighteen months period ended 31 December 2021.

Trends in Reported Balances

Revenues/Volumes

Overall, call origination and call termination revenue and volumes continue to decline due to the impact of fixed mobile substitution, alternative technologies, and competition on both the total number of call minutes supplied and the proportion of those minutes originating on fixed lines. Average monthly revenues in this market witnessed a significant decline of 38%.

Operating Costs

Average monthly operating costs decreased by 35%, primarily due to reduced cost of sales in line with reduction in revenues earned from this business segment.

Operating Loss

The average monthly operating loss decreased by 19%, due mainly to the continuing decline in call transit revenue and losses on call termination and call origination services. Whilst revenues on call termination reflect pure LRIC pricing, cost allocation remains on a fully allocated cost basis. As per Section 7.177 of Decision 12/12,

Explanatory Report - Wholesale Other Business - Wholesale Call Conveyance

ComReg indicated that fixed and common costs no longer recovered from call termination revenue could be recovered from other regulated wholesale services as appropriate.

Return on Capital Employed (ROCE)

The total MCE decreased by 21%. The annualized ROCE of 16% (negative) is reflective of the continued decline in revenues in this wholesale market and the relatively fixed nature of the costs.

Exceptional Events/Methodology Changes

The exceptional losses arise from the disposal of assets which are no longer required.