

€90M BOOST FOR REVAMPED SMART TELECOM

- €65 MILLION REFINANCING

- ADDITION OF €25 MILLION T50 NETWORK AS MURTAGH MERGES TELECOMS INTERESTS

Chief Financial Officer Appointed to complete New Management Team

Dublin, 21 June 2007 – Smart YuRoE Broadband Limited (SYB - formerly Calally) today announced that it has completed a refinancing package of the Smart Telecom group ahead of taking the company private on June 29, 2007. SYB also announced that it will benefit from full ownership of the T50 Network in Dublin after Brendan Murtagh agreed to merge his T50 telecommunications interests into SYB

The refinancing includes the successful issuance of €50 million in loan notes to an international syndicate of institutional investors, including a number of US and European institutions, (who have a strategic focus on the international telecommunications sector). In May Bank of Ireland's Kernel Capital Partners Private Equity Fund invested €2.5m in the company. Davy Corporate Finance led the transaction with sales support provided by the Davy Capital Markets division.

The remainder of the funding (€15million) relates to the conversion of existing debt by a group of SYB shareholders into preference shares in SYB. Brendan Murtagh, majority shareholder in SYB has also decided to merge his telecommunications interests by contributing the Dublin T50 fibre network to SYB in exchange for additional preference shares. Based on a conservative valuation, the T50 adds a further €25million asset to the Smart Balance Sheet.

The T50 is one of the largest, commercially accessible, fibre networks in the greater Dublin area and will be a valuable addition to Smarts existing Next Generation Network (NGN). The T50 was previously owned by [Broadband Communications Limited] in which Brendan Murtagh had a 90% interest.

Commenting, John F Riordan, Chairman and Chief Executive Officer, SYB, said: "Smart Telecom has been transformed since it was acquired last year. This new investment brings total new funding to €65 million and is a clear demonstration of the confidence that investors have in Smart Telecom's new business model."

Riordan continued, "Our new streamlined and highly focussed business model leaves Smart Telecom well positioned for a profitable future. Our emphasis will be on providing customers with superior service offerings through Smart's Next Generation Network (NGN). In fact, one of our biggest assets is our NGN, which is the foundation for all Smart's products and services - allowing us offer customers greater reliability, flexibility and value for money."

Smart Telecom also announced the appointment of Paul Talbot as Chief Financial Officer. Mr Talbot was previously Vice President, Finance and Operations EMEA of the Nasdaq quoted Cadence Design Systems.

The appointment of a new Chief Financial Officer completes the restructuring of Smart Telecom which commenced last autumn and which has seen numbers employed by the company reduced from 380 to 95.

Smart Telecom is now focused on data, broadband and Voice over Internet Protocol (VoIP) services to the Corporate, SME and Residential sectors. The total

value of these markets has been estimated at €2.4 billion by telecoms regulator ComReg.

"The fact that Smart Telecom is such a young company gives us an edge over our rivals. We simply don't have any legacy technology holding us back and our IP offering is far superior because we use only a state-of-the-art Next Generation Network – comprising a fibre network, unbundled exchanges and licensed microwave access. Smart is the only provider in a position to offer uncontended services at faster speeds and at a lower cost," said Mr Talbot.

Commenting, major shareholder Brendan Murtagh said: "This refinancing marks a new phase in the development of Smart Telecom. We've drawn a line in the sand with the past. Smart Telecom now has a hugely experienced and proven management team, who are in a position to leverage off what we believe to be the best broadband technology infrastructure in Ireland."

Smart Telecom Plc, which has a 10 per cent stake in SYB, will delist from AIM in London on June 29, 2007.

SYB will continue the payment of all amounts outstanding to creditors of Smart Telecom plc as agreed in December 2006. Over €5 million has already been discharged to date.

ENDS

Thursday, 21st June 2007

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Notes to editor:

Smart YuRoE Broadband Limited:

Trading as Smart Telecom, it provides data, broadband and VoIP services in three distinct market segments in Ireland: Corporate, SME and Residential. Smart Telecom has an estimated 200 corporate clients including The Guinness Enterprise Centre, McCormick McNaughton, Fehily Timoney & Co. and SAP IT.

John Riordan:

A native of Kerry, Riordan is a former Chief Executive, President and Chairman of the management board of Netherlands-based UPC, Europe's largest cable company. He is widely credited with turning around the fortunes of that company: increasing EBITDA from a loss of €353 million in 2001 to a profit in excess of €500million in 2003; retiring €4.5 billion in debt and delivering a substantial increase in its subscriber base. UPC had 8.3 million RGU's (Revenue Generating Units) in 2003.

Prior to that he was Chairman and Chief Executive of Princes Holdings, owner of Irish cable company Chorus.

Paul Talbot:

Born in Dublin, Talbot joined Smart Telecom's management team as Chief Financial Officer in March, 2007. He has 15 years senior financial management experience from both the technological and pharmaceutical industries. He is a Fellow of the Chartered Institute of Certified Accountants.

Until recently, he held the position of Vice President, Finance and Operations EMEA with Cadence Design Systems (London), a US\$1.5 billion revenue, Californian-based software provider to the electronics industry and a service provider to the telecoms equipment manufacturing sector. Prior to that, Talbot was European Controller of Mallinckrodt Veterinary based in London.