eir First Quarter FY17 Results Presentation

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Agenda

Business highlights

Economic update

Strategic priorities

Trading highlights

Business unit performance

FY17 outlook

Q&A

Business highlights

Financial

Q1 Revenue €327m

2% YoY

- Underlying revenue growth of 2%/€5m[1]

Q1 EBITDA €122m

1% YoY

- +€2m YoY EBITDA growth in line with expectations

Operational KPIs

463k fibre customers

42% YoY

- 138,000 connections YoY
- 29% Fibre Penetration

Multi-play bundles

22% of households now subscribing to 3P+ bundles

5p.p YoY

Postpay subs

2% YoY

Key developments

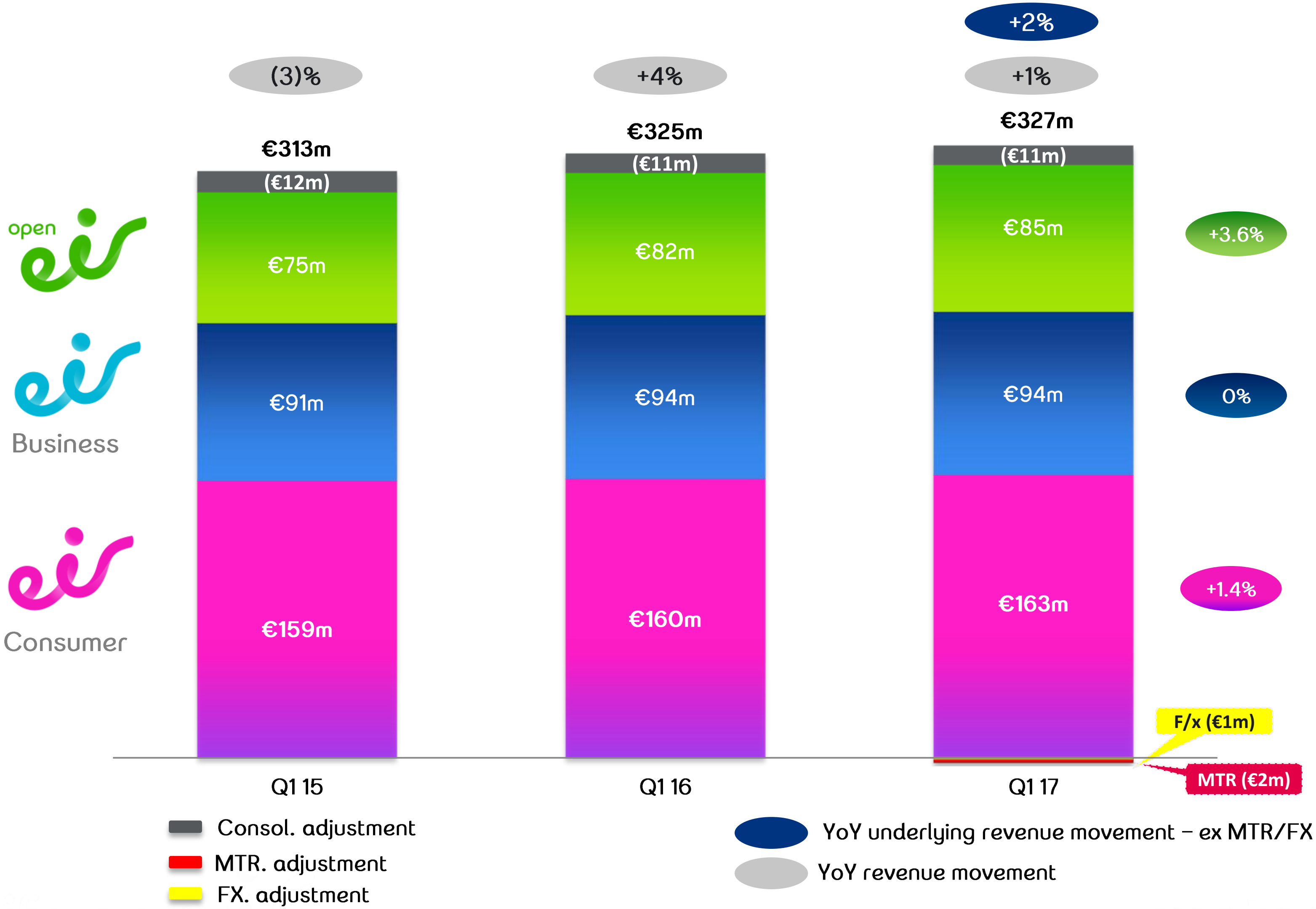
- 68% of Irish premises passed with fibre
- 88% 4G coverage
- Successful repricing of loan facility from 4.5% to 4%
- €51m gross debt reduction
- Total refinancing activities to deliver €27m annualised interest savings
- Certified to Business Working Responsibility Mark

[1] Reported revenue growth of 1% YoY

Market backdrop remains highly competitive

Strong revenue performance despite regulatory & forex headwinds

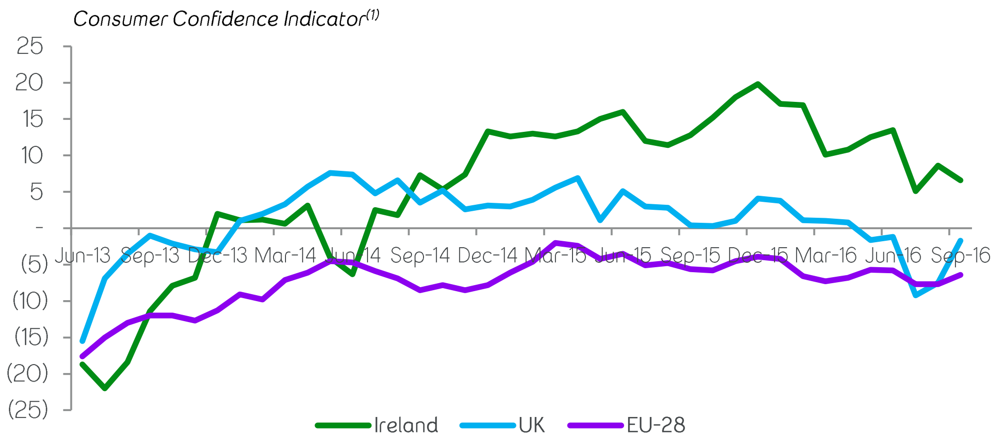
Business Unit Revenue (€m)



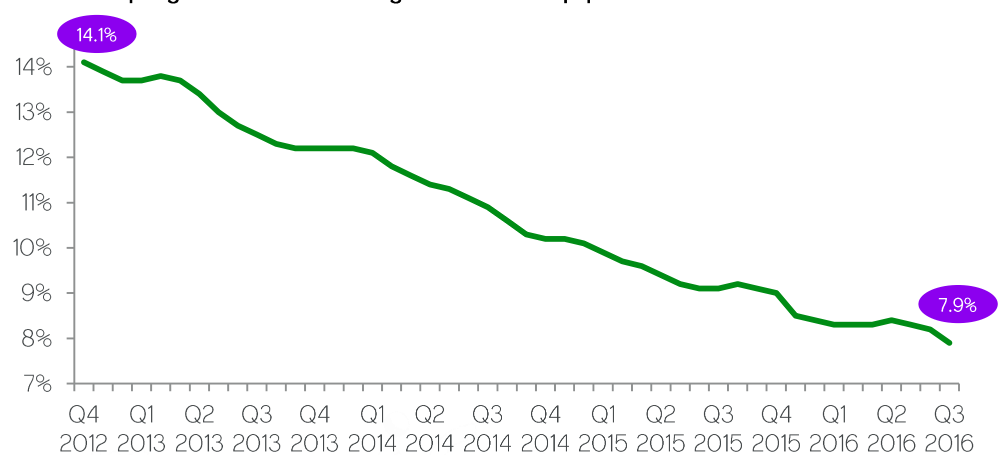
Agenda

Economic backdrop remains robust

Consumer confidence remains strong in Ireland and well ahead of EU



Unemployment has fallen by more than 6 p.p. since Q4 2012



- Consumer confidence remains strong despite Brexit jolt in July
- Unemployment rate below 8% for first time since 2008
- Continued economic strength and growth – 4% GDP growth forecast by ESRI in both 2016 and 2017
- Budget 2017 includes €1.3bn of tax cuts and spending increases
- Closely monitoring the impact of Brexit – some FX impact on UK revenues within eir Business

(1) European Commission Services Consumer Confidence Indicator
Source: Ireland Central Statistics Office, Europa.eu, ESRI Quarterly Commentary (Autumn 2016).

Agenda

Key strategic priorities

- **Customers:**

  Improving customer experience and advocacy

- **Best in class network:**

  Connecting everyone and everything in Ireland

- **Smart Growth:**

  Building sustainable growth through innovation and investment

- **Simplicity:**

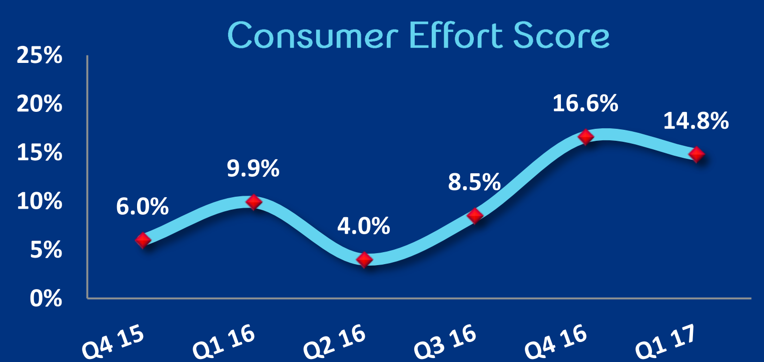
  Striving to continuously simplify our operations and processes

Improving customer experience and advocacy

Improving customer experience..

- Improved customer on-boarding
  - ✓ Dedicated team delivering personalised customer experience for installation, first bill etc.
- On-going digital expansion
  - ✓ Simplifying customer engagement through web chat and social media and improving Customer Effort (CE) scores
- Case Management
  - ✓ Taking ownership of customer issues to avoid repeat calls, increase first call resolution and reduce CE

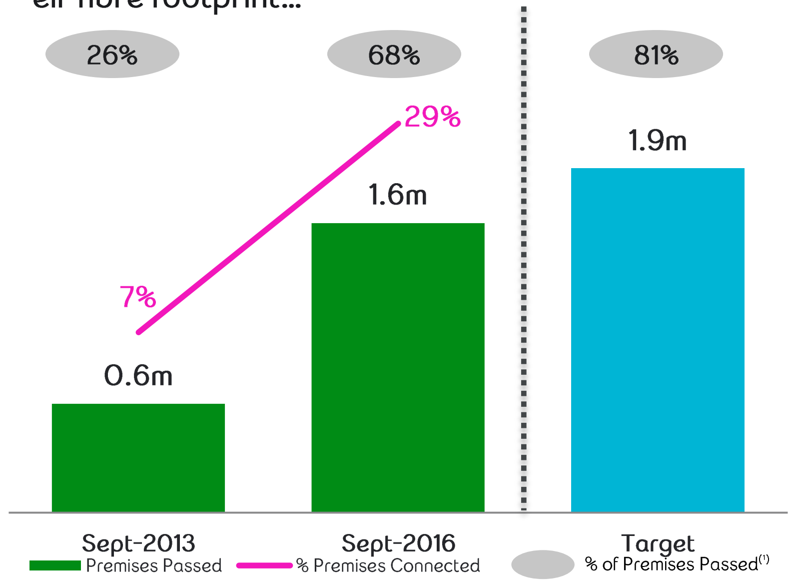
..driving increased customer effort score



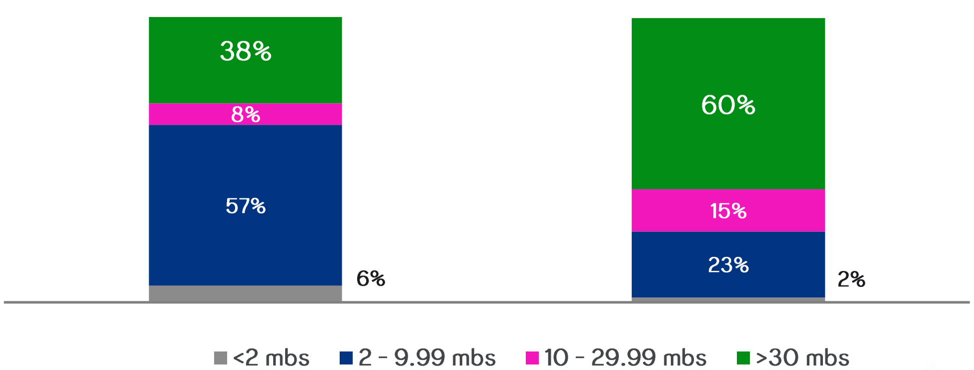
Best in class network - fixed

- Future-proofed network investment passing **68%** of Irish premises & connecting **29%** of customers
- FTTC rollout continues with focus on FTTH - 34,000 FTTH premises passed
- Approx. **€415m** spent to date on the fibre investment
- Rollout of high speed fibre continues at pace to 1.9m premises by end 2018
- eir fibre network delivering an increase in available broadband speeds for customers

eir fibre footprint...



..delivering increasing speeds for broadband customers[2]



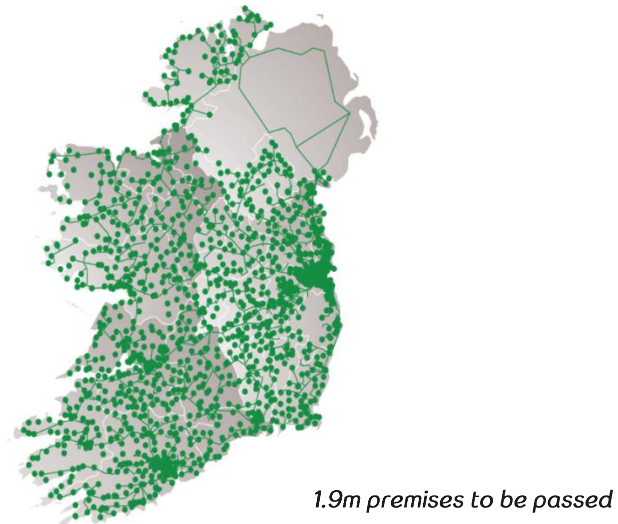
(1) Assuming 2.35m premises in Ireland

(2) Source: ComReg – fixed broadband download speeds as at June 2013 and June 2016 respectively

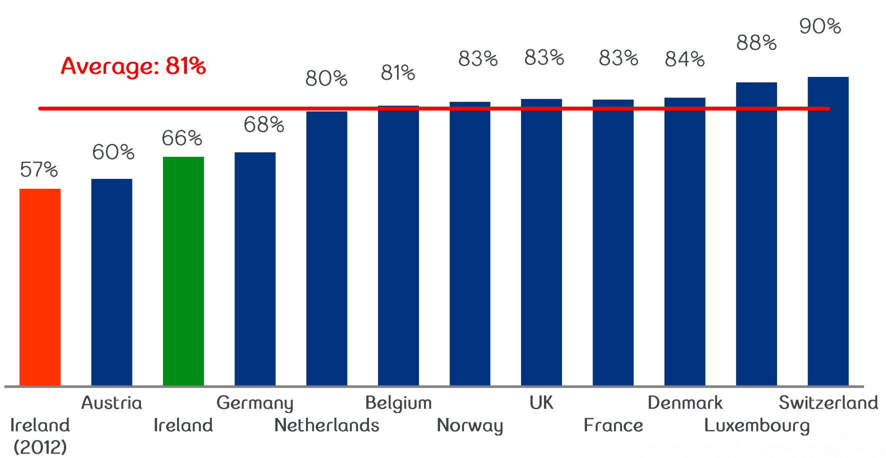
eir bringing high-speed broadband to rural Ireland

- eir is supporting Ireland's digital agenda by providing high-speed internet access to 300,000 premises in rural Ireland
- Rollout to first 100,000 premises is underway - will offer speeds of up to 1 Gb/s
- This will help drive broadband penetration in Ireland which is behind the European average
- These 300,000 premises are currently within the Government National Broadband Plan (NBP) intervention footprint
- eir has qualified as a bidder and is fully engaged in the NBP process
- Highly complex project - contract award officially due June 2017

eir helping to drive broadband penetration in Ireland…



…which remains behind the European average

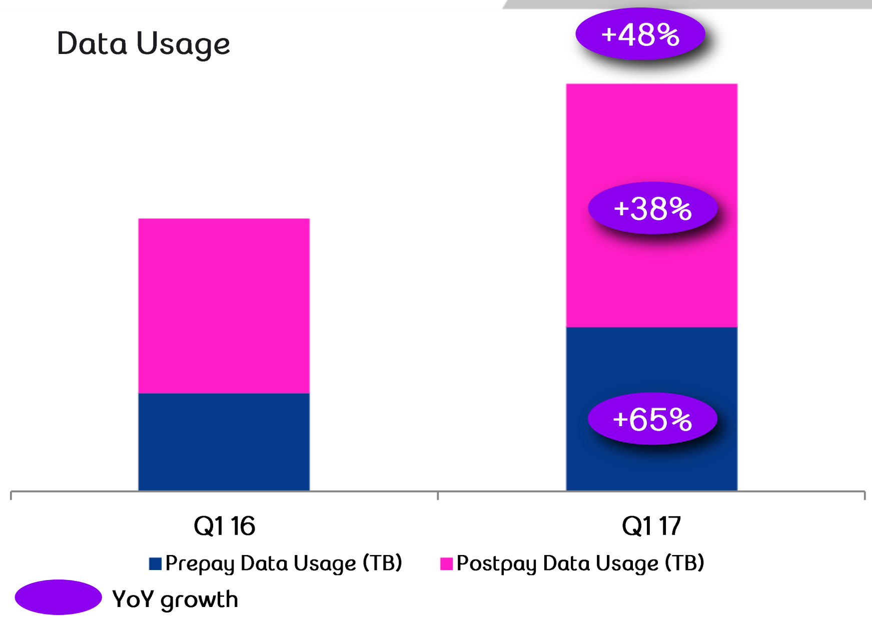


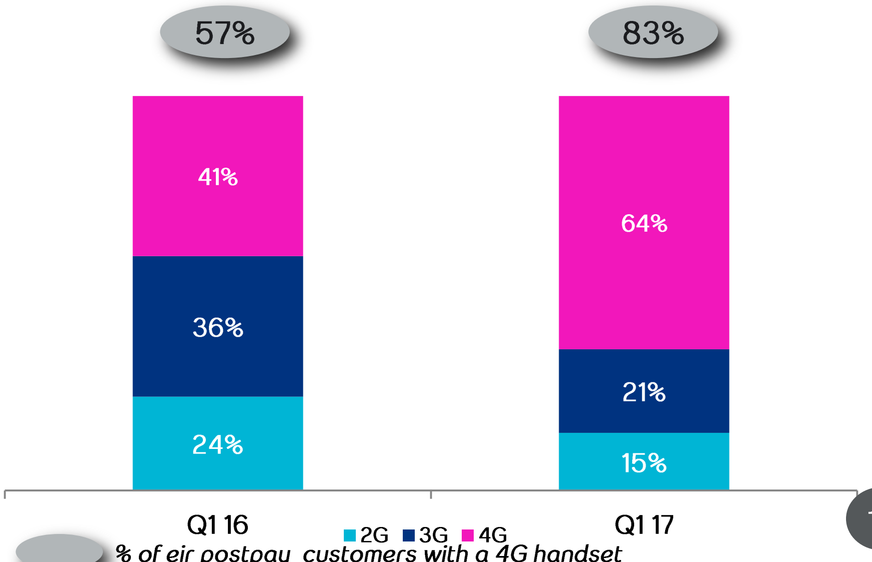
Source: Analysys Mason – figures as at Mar 2016 unless otherwise stated - % fixed households & SM sites
The European average is based on countries noted above and not the EU28

Best in class network - mobile

Move into the fast lane with eir mobile

- Extending 4G footprint:
    - **88%** 4G coverage[1] growing to **95%** by March 2017
- Nationwide 3G with 99% coverage network including dual carrier HSPA + coverage of 80%
- Data usage up **48%** YoY driven in part by new prepay social media offers of Facebook, Twitter and Instagram
- **64%** of eir customers have a 4G handset including 83% of postpay customers

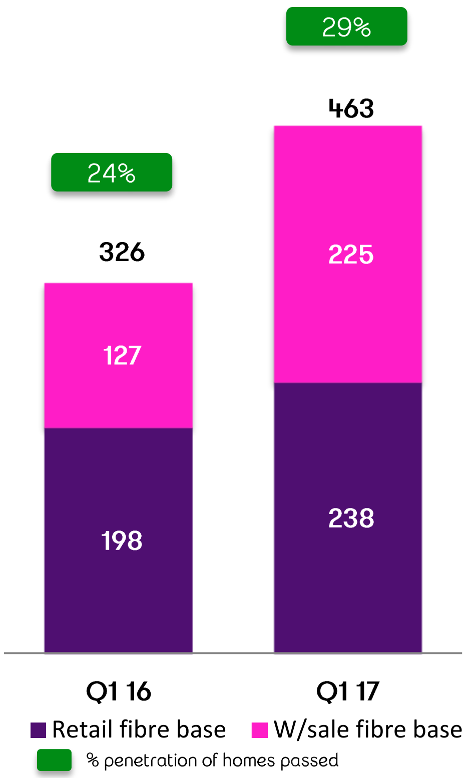




(1) Coverage refers to outdoor population coverage

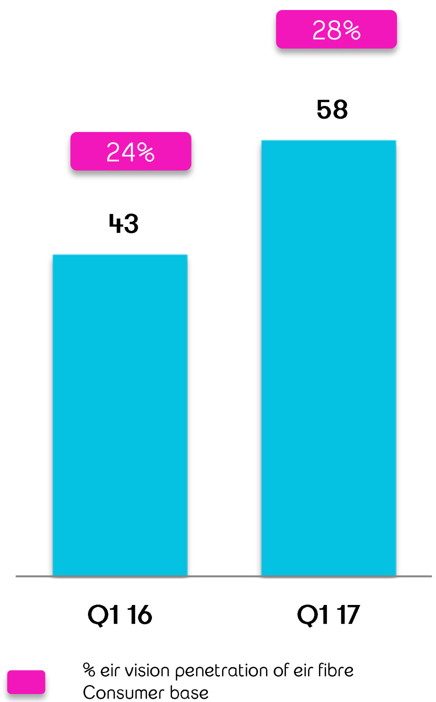
Smart growth

Group fibre base ('000)



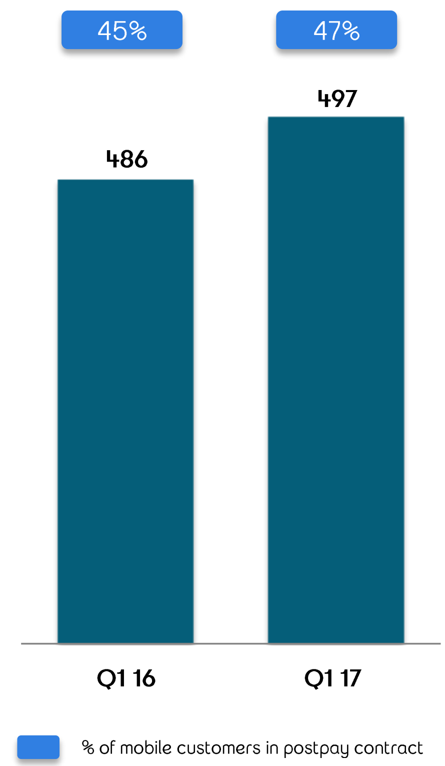
Fibre base enabling multi-product bundles

eir vision base ('000)



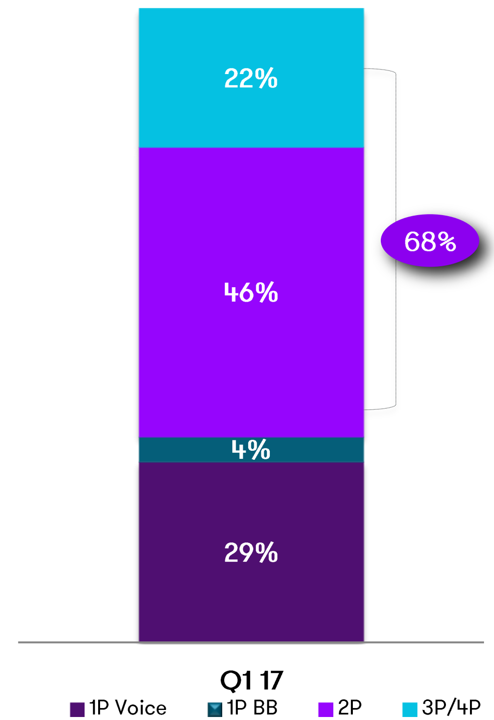
Value TV offering driving quad play take-up

Postpay subscriptions ('000)



Increasing higher value postpay contracts

Household view[1]



68% of customers with 2P+ 2.11 RGU's per HH

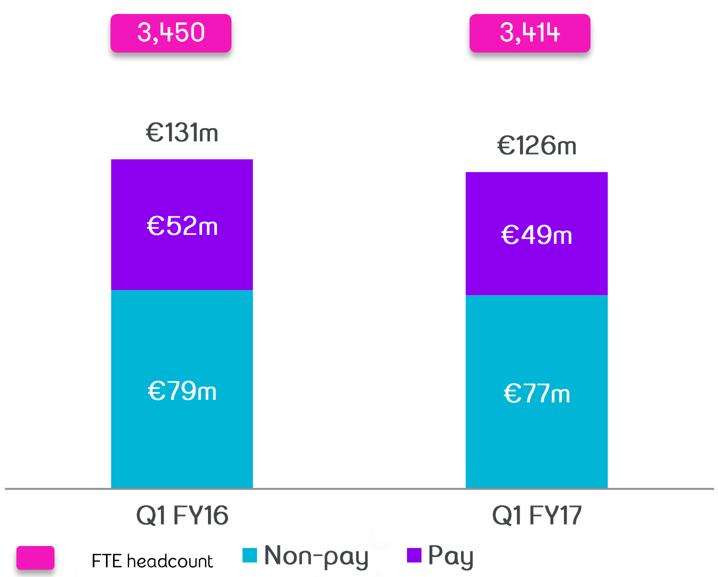
[1] *Represents percentage of consumer households with fixed access paths subscribing to fixed voice, fixed broadband, TV and/or bundled mobile services*

Smart growth – exciting range of content on offer with eir sport

Simplicity

Product Rationalisation	Process Simplification	Transformation of IT Landscape
On track to reduce products to <100 FY17 <200 FY18 <100	Transformation of bill to cash process and customer onboarding journey on track	Consolidate 6 legacy platforms to single converged platform Mobile to move to converged platform by end of 2017

Operating costs



4%
YoY

- 4% reduction in pay/non pay costs
- Pay cost savings of 6%
- Non pay cost savings of 3%
- On track to deliver full year savings of 4%
- ATK benchmarking process underway

Cross functional simplification driving efficiency and improved customer satisfaction

Agenda

Trading highlights

- Underlying revenue growth of **2%**
- EBITDA growth of **1%** YoY
- Pay/non pay cost savings of **4%**
- WLR/MTR regulatory price reductions
- **53%** of broadband base now on fibre
- Strong prepay performance; postpay environment challenging
- SFA reprice and €51m gross debt repayment
- Capex and closing cash in line with expectations

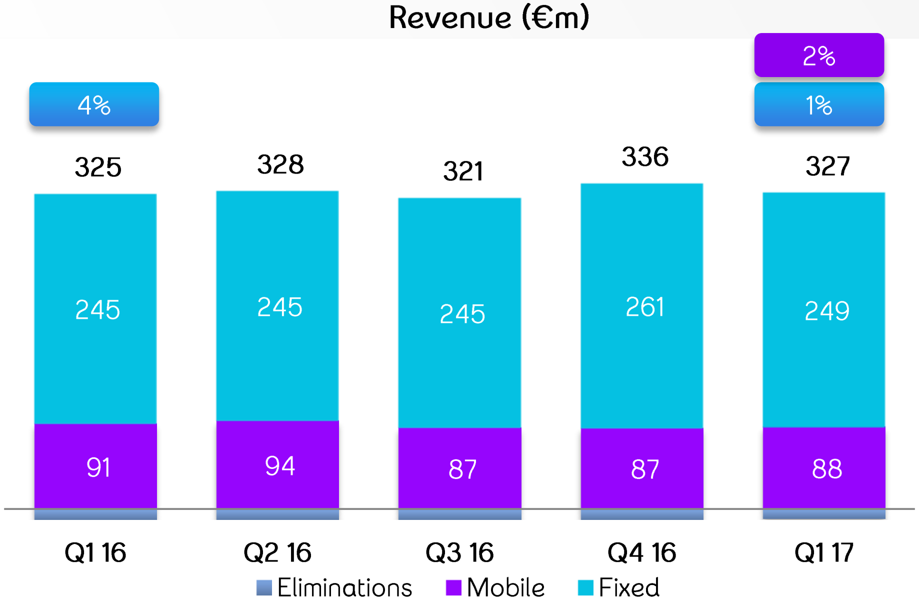
Group EBITDA – Q1 FY17

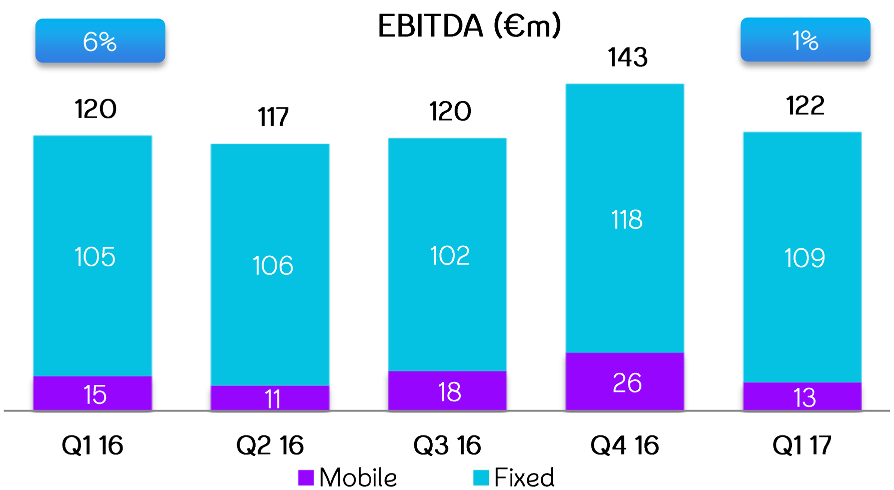
Group EBITDA – Q1 FY2017	Q1 FY17	v Prior Year Better/(Worse)	v Prior Year Better/(Worse)
	€m	€m	%
Fixed line revenue	251	6	3%
Mobile revenue	90	(1)	(2%)
Eliminations	(11)	0	(3%)
Underlying revenue growth before MTR/FX	**330**	**5**	**2%**
MTR/FX impact	(3)	(3)	N.M
Reported revenue post MTR/FX	**327**	**2**	**1%**
Cost of sales	79	(5)	(8)%
Gross profit	248	(3)	(1%)
Gross Margin	76%	-1.7p.p	
Pay costs	(49)	3	6%
Non pay costs	(77)	2	3%
Operating costs	(126)	5	4%
Group EBITDA	**122**	**2**	**1%**
EBITDA Margin	37%	0.2p.p	
Fixed EBITDA	109	4	4%
Fixed EBITDA Margin	*44%*	*0.9p.p*	
Mobile EBITDA	13	(2)	(17%)
Mobile EBITDA Margin	*15%*	*(2.4)p.p*	

- Underlying revenue of €330m up 2% or €5m YoY
- MTR/FX impact of €3m on revenues
- Slight dilution in gross margin due to shift in product mix to managed services, TV and content
- Operating costs down by 4% with savings in both pay and non-pay costs
- Group EBITDA of €122m, up 1% YoY

[1] Includes proportionate consolidation of Tetra Ireland at 56% for actual and prior year
[2] Operating costs are pay and non pay costs before non-cash pension charge and lease fair value credits
[3] Numbers in the above tables have been presented to the nearest million and therefore totals presented above may vary slightly from the actual arithmetic totals of such information

Quarterly trading to September 2016 in line with expectations





Qtr on qtr movement compared to the PY

Qtr on qtr movement compared to the PY ex. MTR/FX reductions

- Continued strong performance on revenues despite regulatory price reductions and FX impact
- Underlying revenue growth of €5m or 2% YoY (before MTR/FX impact)
- Bundles continue to gain traction

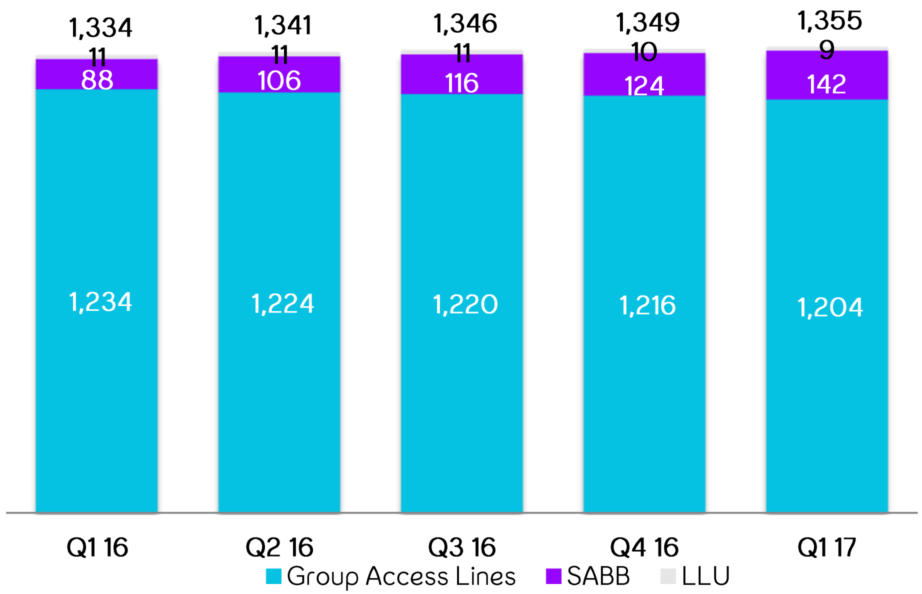
- 1% YoY increase in EBITDA to €122m, driven mainly by pay and non-pay cost savings
- MTR reductions EBITDA neutral at a Group level
- Q1 seasonal impact of investment in customer acquisition will continue into Q2

[1] *The above chart includes the proportionate consolidation of Tetra Ireland at 56% for actual and prior year*

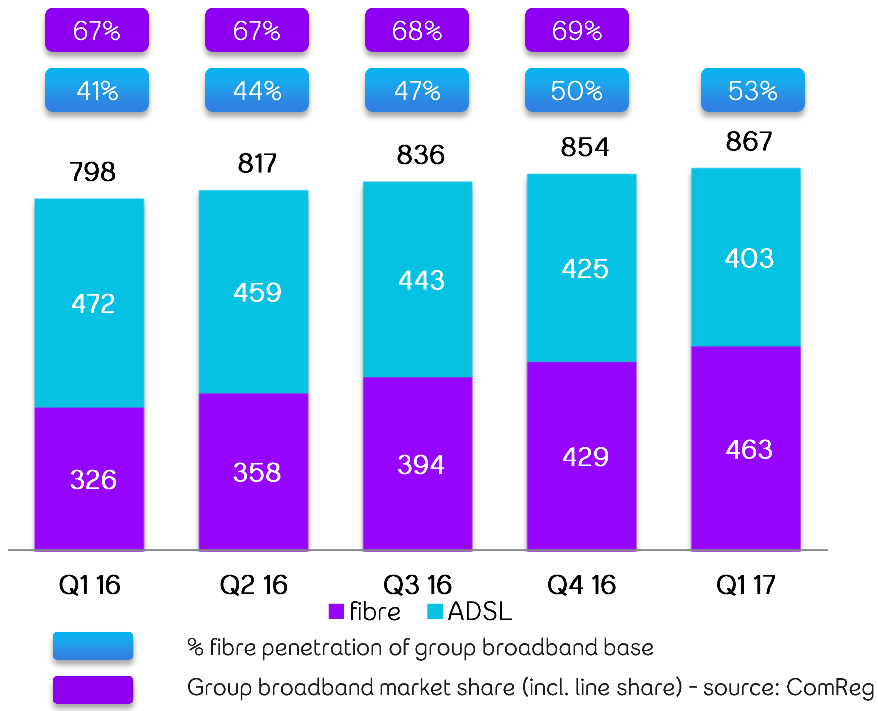
[2] *Numbers in the above charts have been presented to the nearest million and therefore totals presented above may vary slightly from the actual arithmetic totals of such information*

Group fixed KPI's

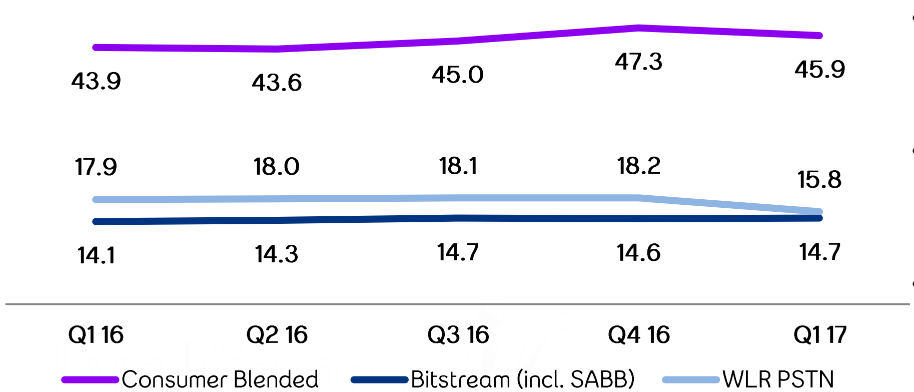
Group access paths(1) (000's)



Group broadband base(2) (000's)



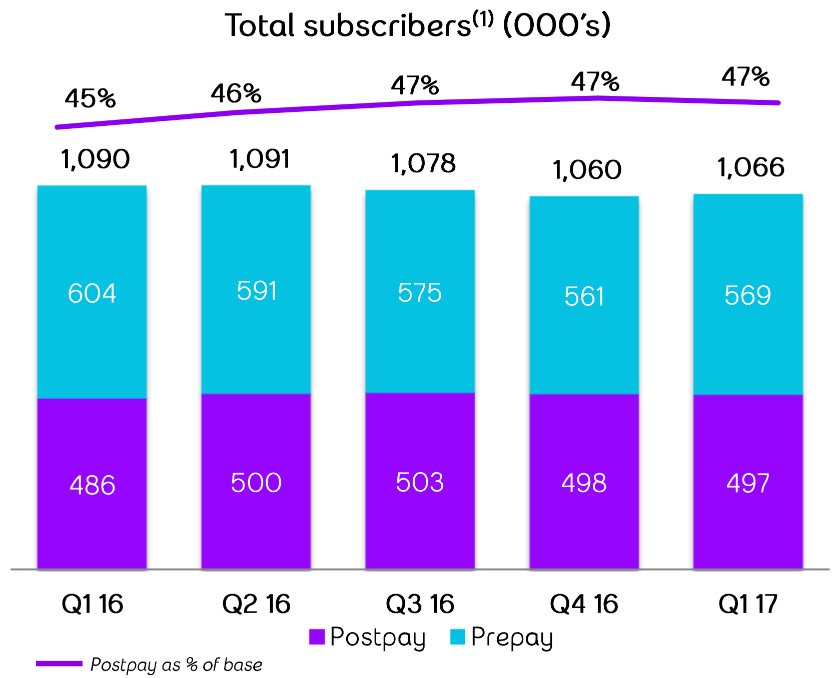
Fixed line ARPU's (1)(€)



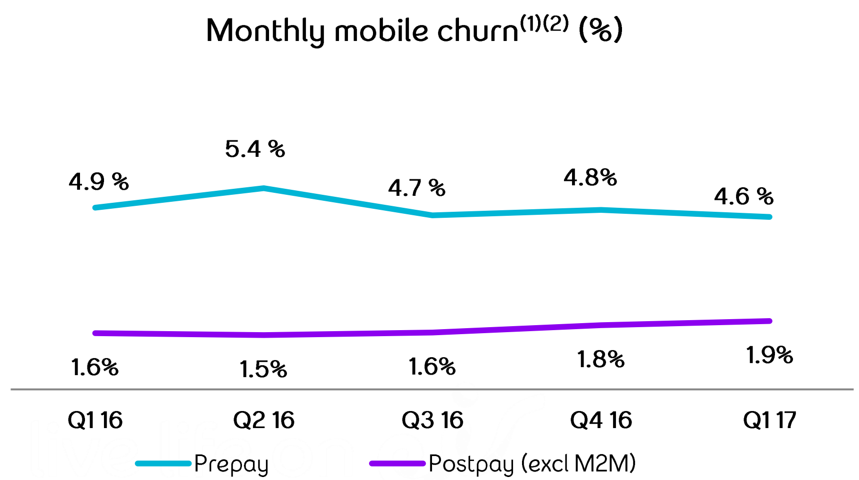
- Group access paths increased by 6,000 in Q1, mainly due to increased take up of SABB. Rate of decline in access lines slowing; 12,000 Q1 17 compared to 16,000 in Q1 16.
- Continued group broadband growth: 13,000 QoQ and 69,000 YoY; **53%** of broadband base now on fibre. Group broadband market share continues to grow to **69%.**
- Consumer blended ARPU of €45.9 up 4.5% on prior year due to price increases and increased RGU's due to bundling. Reduction QoQ due to increase in retention and promotional activity.
- WLR ARPU decline due to regulatory price reduction. Bitstream YoY increase driven mainly by SABB.

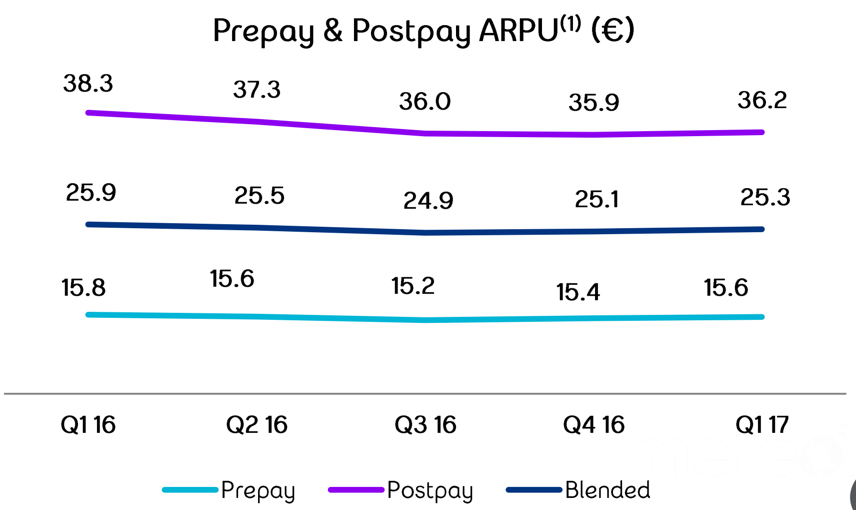
(1) Now includes SABB & LLU as access paths
(2) Excludes Line share

Group mobile KPIs



- 47% of mobile subscribers on postpay contracts, up 2 p.p YoY.
- Overall customer base increased by 6,000 driven by growth in prepay due to the introduction of new data bundles.
- Blended ARPU stable; prepay flat, postpay stabilising - YoY decrease due to increased promotional activity and bundling to drive customer lifetime value.





(1) Includes Mobile Broadband and M2M
(2) Mobile churn has been restated as a result of data cleansing carried out in Q1 FY17

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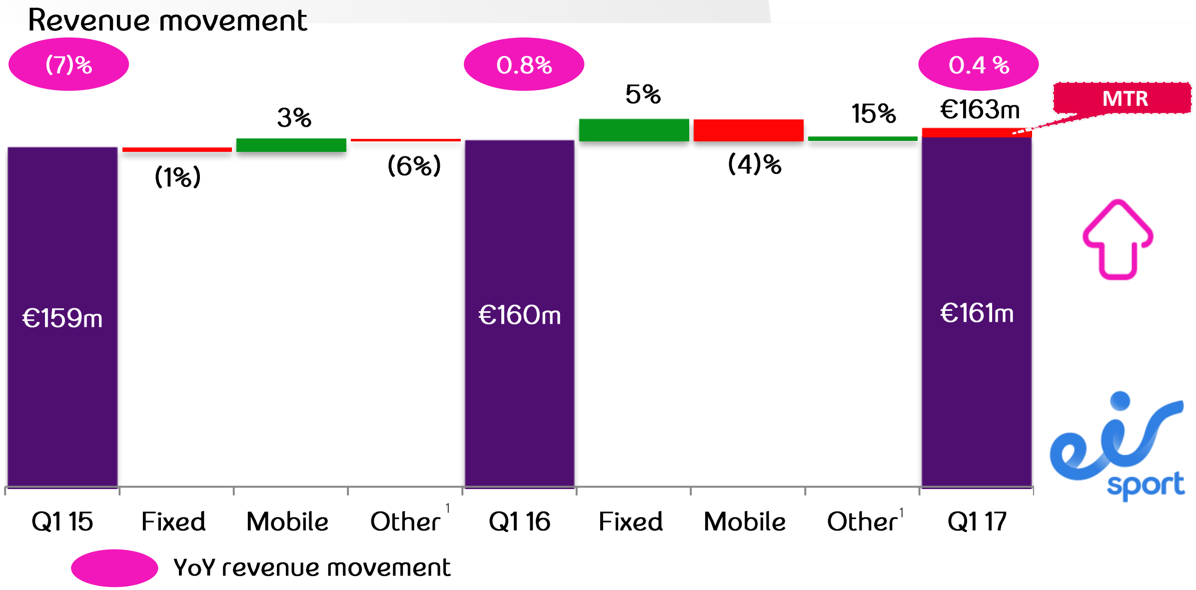
Q&A

eir Consumer

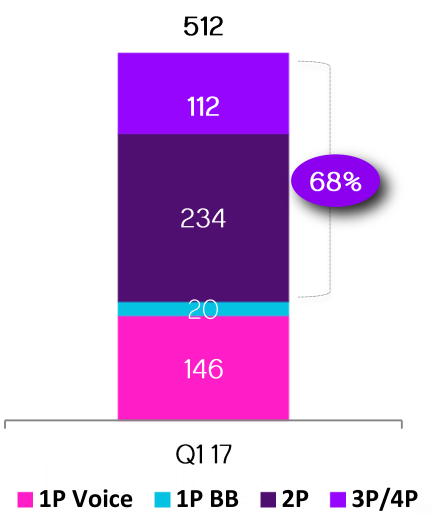


Underlying YoY revenue growth of **1.4%;**

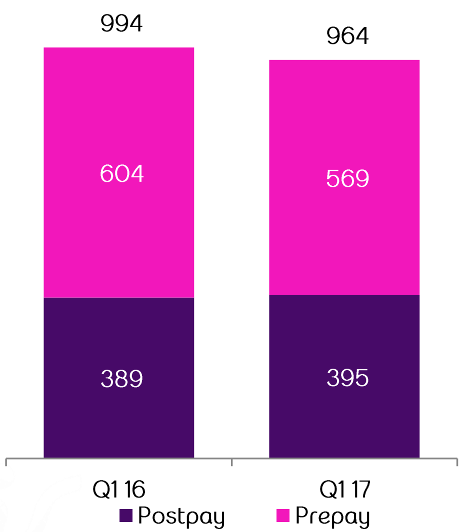
Reported revenue up 0.4%; fixed line up 5% offset by mobile mainly due to regulatory MTR rate reduction and promotional activity

Momentum of eir Sport continues to offer further value to bundle offerings

Household view[2] ('000)



Consumer mobile base[3] ('000)



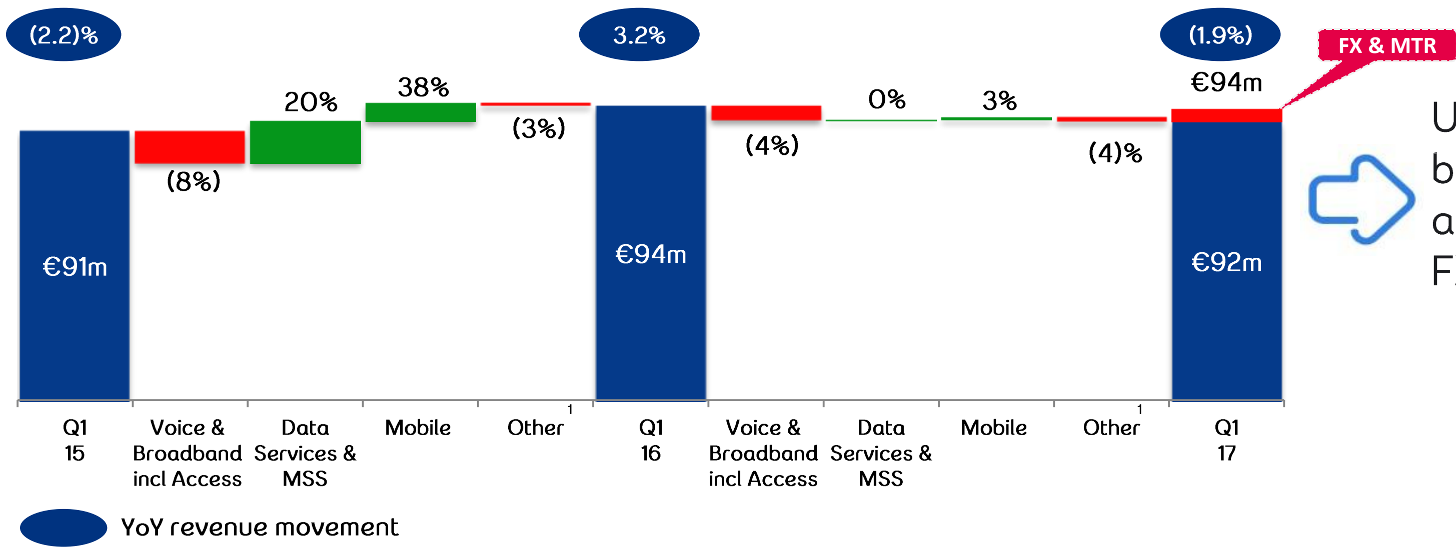
22% triple/quad penetration; up 5 p.p YoY

41% customers on postpay contract; up 2p.p YoY.

[1] Other includes operator services, TV Income and miscellaneous customer credits
[2] Represents number of households with fixed access paths subscribing to fixed voice, fixed broadband, TV and/or bundled mobile services
[3] Includes Mobile Broadband

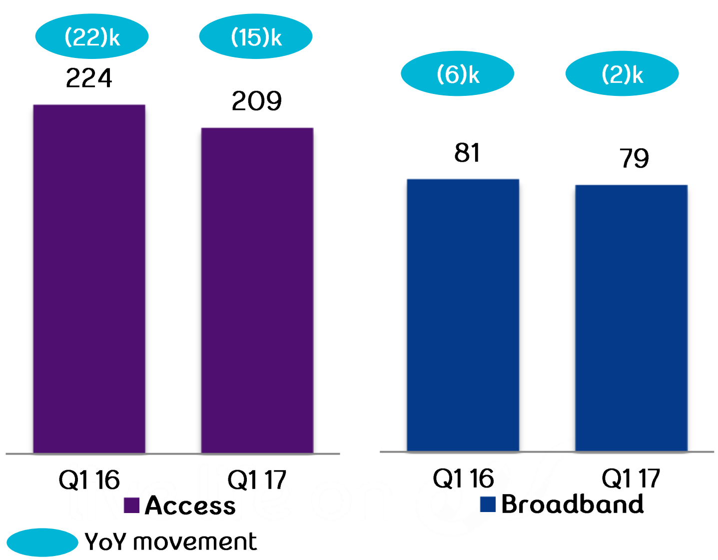
eir Business

Revenue movement

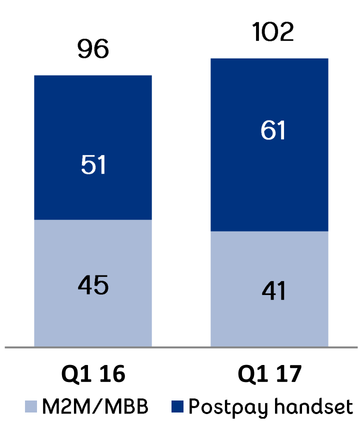


Underlying revenue broadly flat when adjusted for MTR & FX impact

eir Business fixed base ('000)



eir Business mobile base ('000)



6% YoY growth in B2B mobile handset

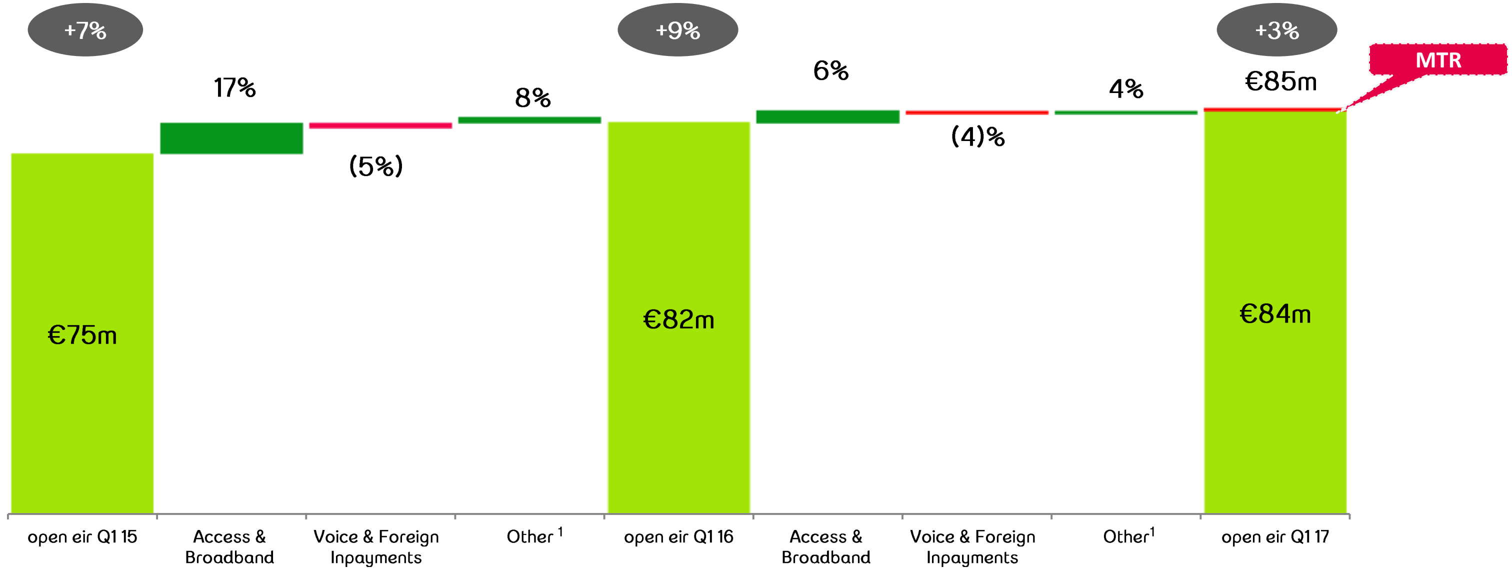
Broadband base flat QoQ - 39% of customers on fibre; up 45% YoY

Significant reduction in rate of access losses YoY

[1] *Other includes eir UK and Tetra revenues*

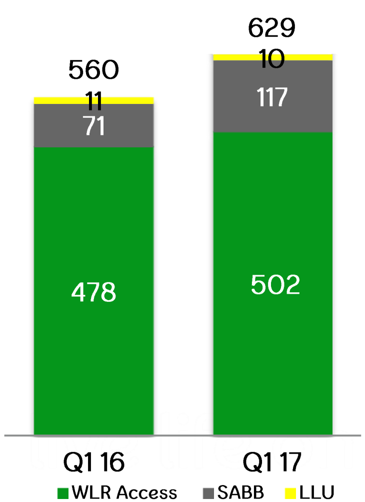
open eir

Revenue movement

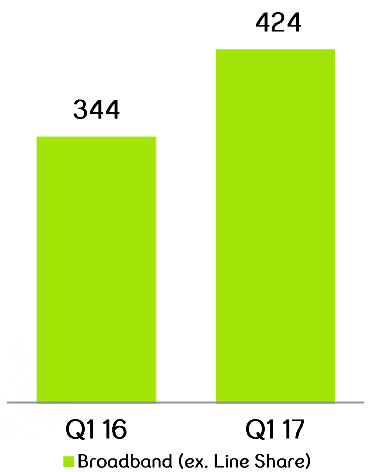


YoY revenue movement

Access paths '000



Bitstream '000



Continued revenue growth of 3% YoY despite MTR & WLR price reduction

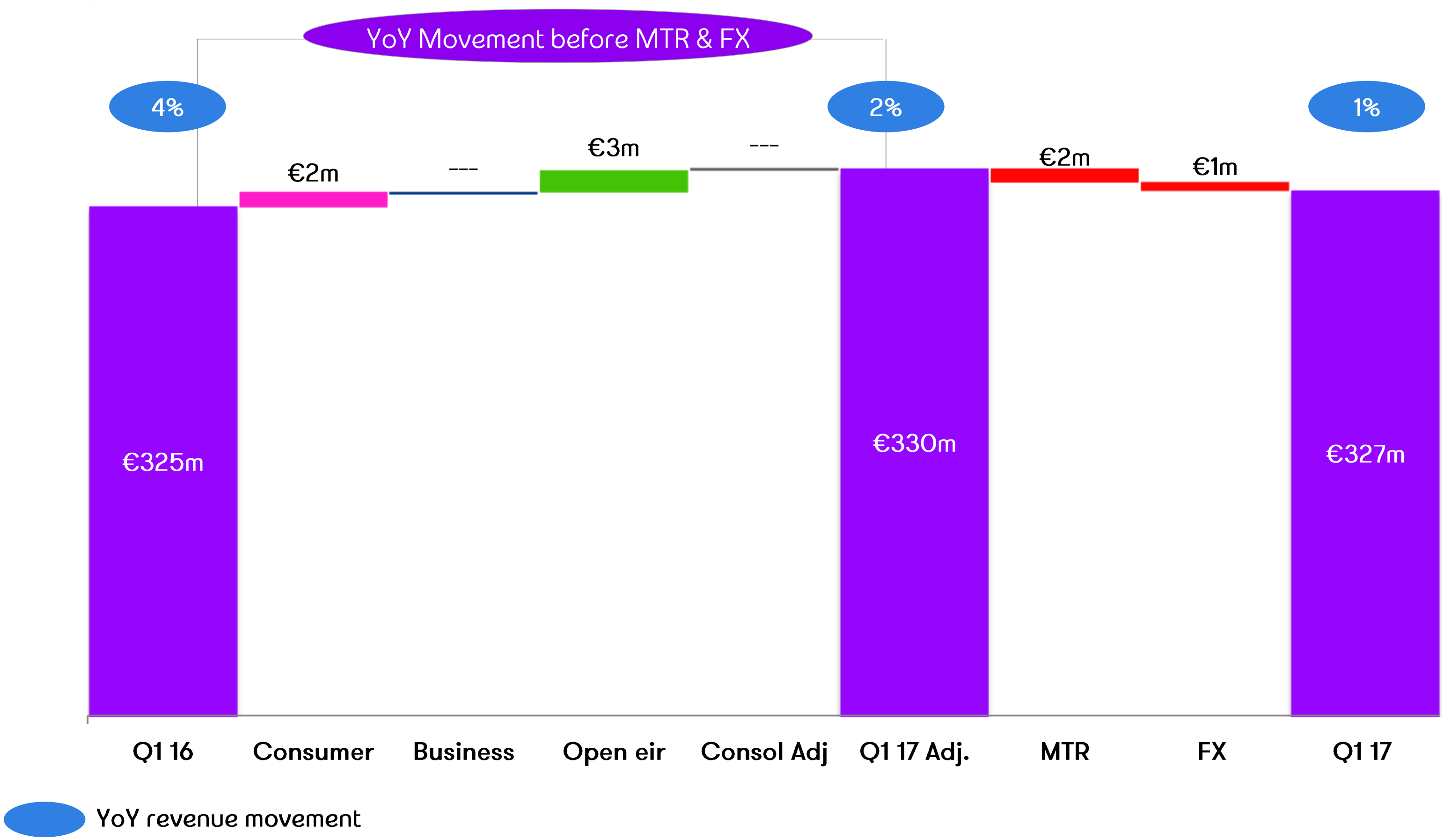
MTR impact of c.€1m YoY

Strong growth in access and broadband revenues, up 6% YoY

[1] *Other includes Data services, MSS and other revenue*

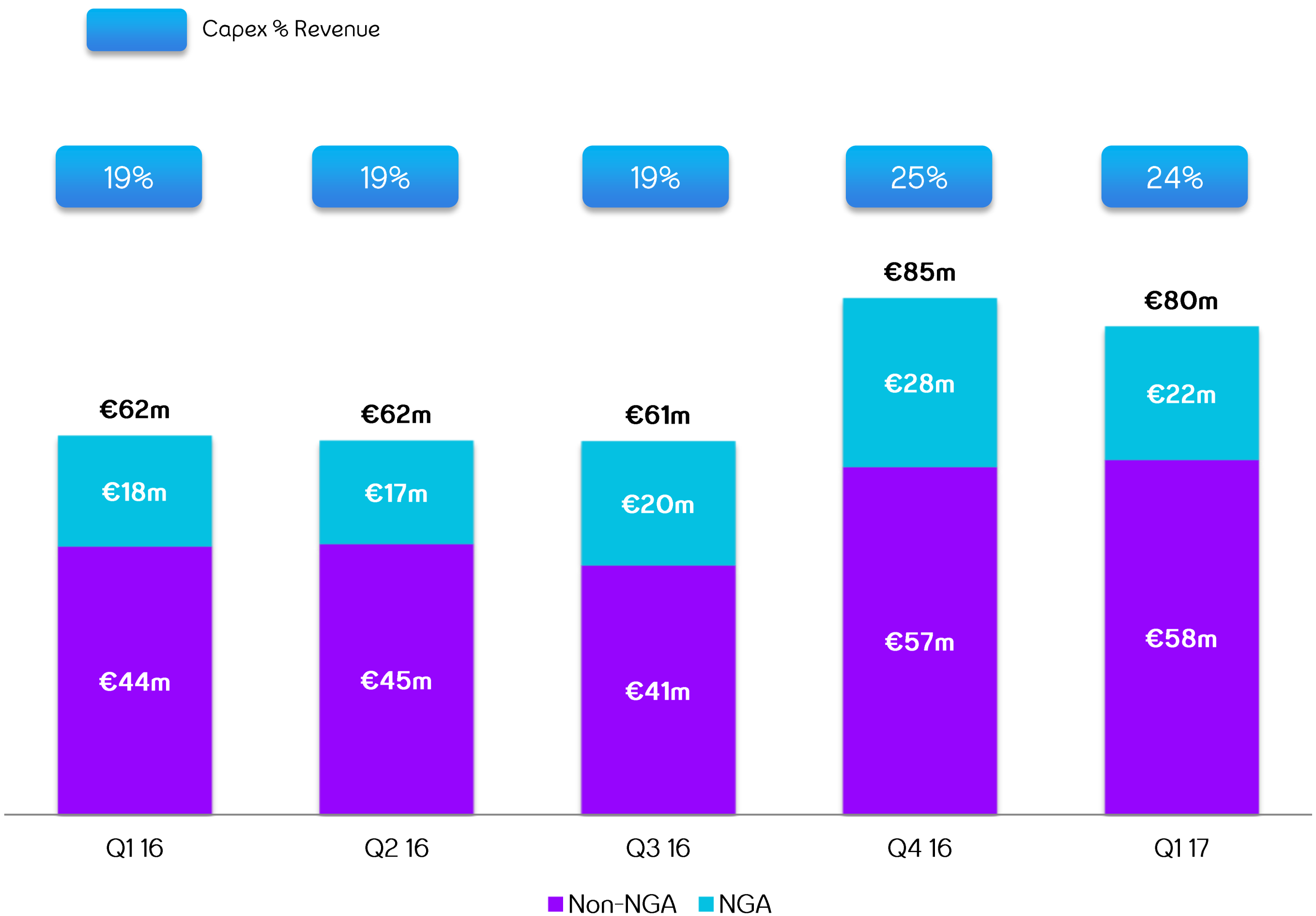
Group revenue movement

Group revenue movement - 2% YoY growth excl. MTR & FX



YoY revenue growth of 2% or €5m before MTR & FX reductions

Capex investment continues to drive long-term growth



Continued investment in FTTC and FTTH rollout – 68% of Irish premises passed and 300k rural fibre rollout underway

Enhancing quality of the mobile network including 4G rollout

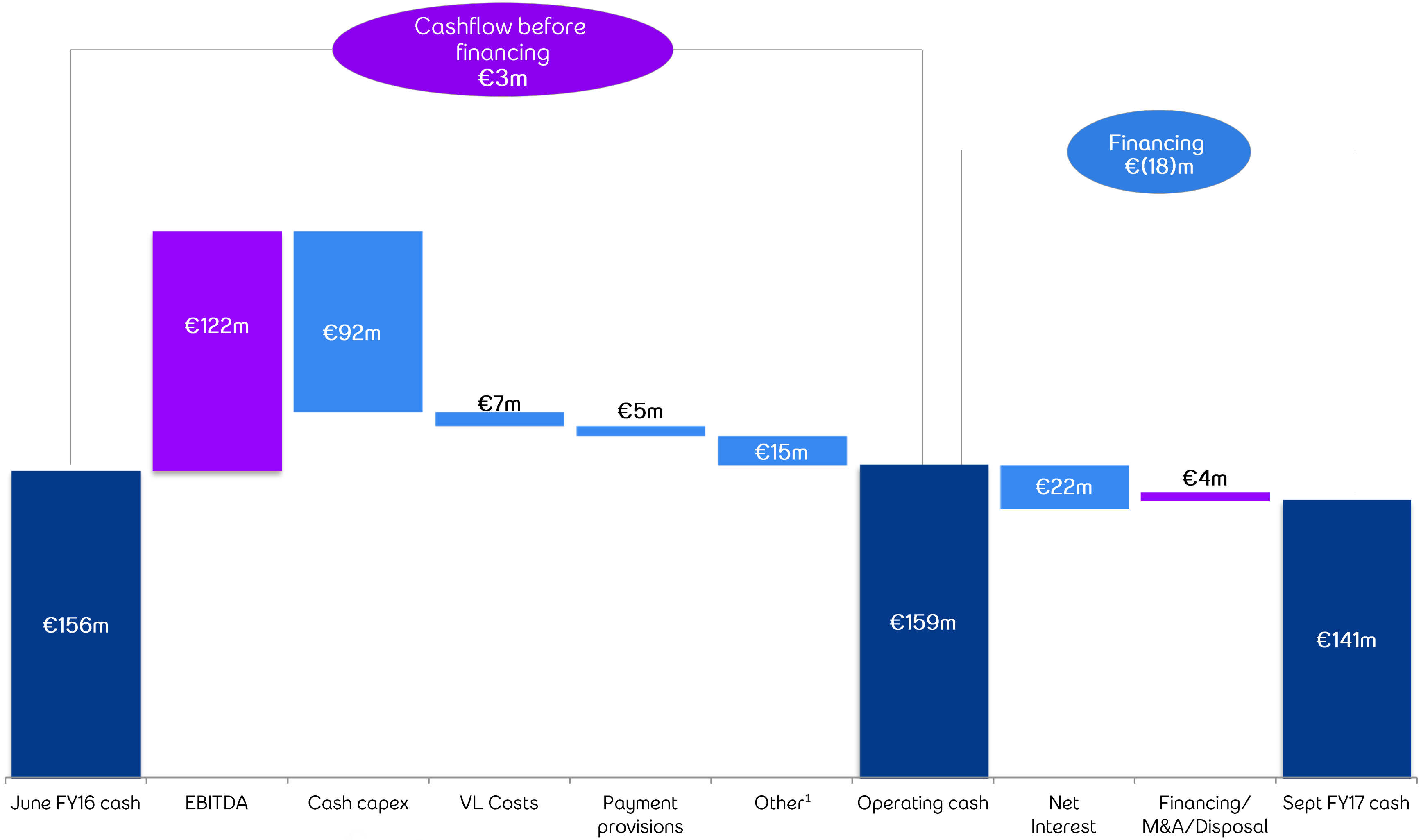
Increased spend on IT driven by eir sport/TV and convergence programme

KPI's	Q1 16	Q1 17
NGA premises passed	57%	68%
Fibre penetration	24%	29%
4G coverage	67%	88%

Table represents incurred capex
Capex excludes investments in acquired intangibles pertaining to eir sport

Strong liquidity despite large capex investment

Quarter 1 cash movement



Notes:
[1] Includes eircom share of Tetra cash
[2] Other includes working capital movements including two VAT payments in the quarter

Successful SFA reprice, bond refinancing and €51 million debt repayment resulting in annual interest savings of €27m

Capital structure

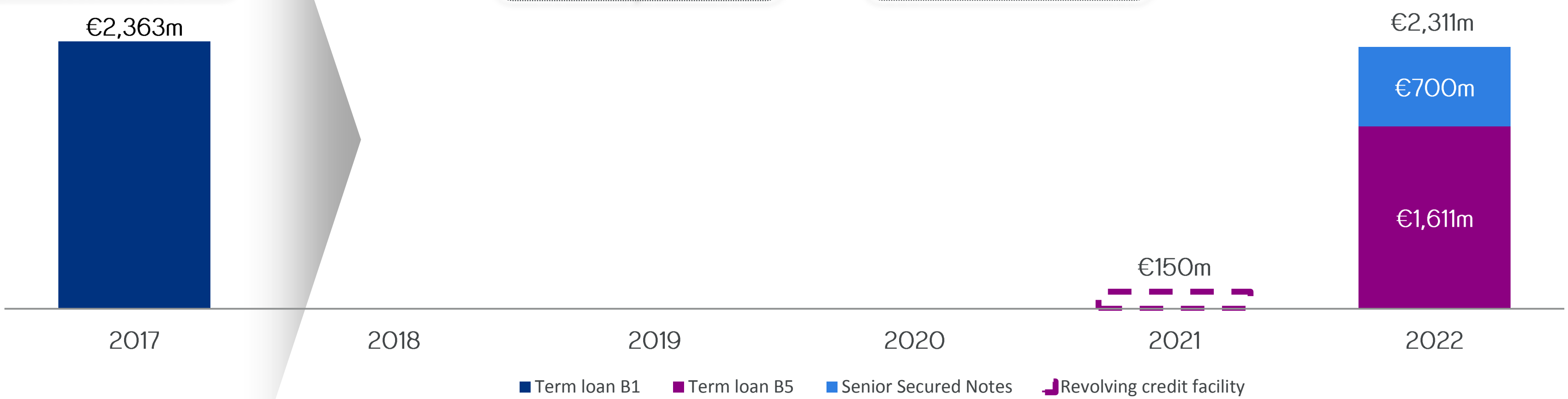
As at Mar '13

As at Oct '16 – reduced cost of debt, diversified sources, extended maturity of 6 years, no PIK, RCF, positive outlook

Ratings[1]
Moody's: Caa1, stable
Fitch: B-, negative
S&P: B, stable

Ratings[1]
Moody's: B2, **positive**
Fitch: B, **positive**
S&P: B, **positive**

Average cost of debt now **4.15%**[(2)] – down from 5.2%



Sept 16 – pro-forma €m	Balance	x LTM EBITDA	Pricing	Maturity
Term loan B5	1,611	3.2x	E + 4%	May-22
Senior Secured Notes	700	1.4x	4.5%	May-22
Gross debt	**2,311**	4.6x		
Cash	(90)	(0.2)x		
Net debt	**2,221**	4.4x		
LTM EBITDA: Sept '16	502			
Available RCF – undrawn	150		E + 3.5%	May-21

- Improved capital structure with increased flexibility and reduced cost of debt
- **€27 million** in annual interest savings as a result of bond refinancing, SFA reprice from E+ 4.5% to 4%, and €51 million debt repayment

[1] *Corporate family rating*
[2] *Excluding swap agreements and RCF*

Agenda

FY17 outlook

EBITDA	Low single digit growth
Capex	Between 19% and 22% of revenue
Cashflow	Continued YoY growth[(1)]

[(1)] *Excludes cash impacts arising from any refinancing or M&A activities*

Q & A

Thank You

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