eircom Holdings (Ireland) Limited

Unaudited Results for the Third Quarter FY20
and Nine Months to 31 March 2020

20 May 2020

eircom Holdings (Ireland) Limited

Unaudited results for the third quarter FY20 and nine months to 31 March 2020

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Trading highlights for the nine months ended 31 March 2020 [1]

- Revenue of €920 million for the nine months to 31 March 2020 decreased by €17 million or 2% compared to the corresponding prior year period.
- Group adjusted EBITDA[2] of €444 million increased by €16 million or 5% compared to the corresponding prior year period, driven by continued operating cost savings.
- Fixed line revenue of €690 million decreased by €19 million or 3% compared to the corresponding prior year period. Growth in broadband, data services, and bundling revenues was offset by lower traditional access, voice and managed services revenues as well as wholesale regulatory pricing impacts.
- The group broadband customer base[3] at 31 March 2020 was 954,000, an increase of 13,000 or 1% compared to the corresponding prior year period. The retail customer base decreased by 11,000 or 2%, while the wholesale base increased by 24,000 or 5%. There were 748,000 customers availing of fibre based high speed broadband services, an increase of 60,000 or 9% compared to the corresponding prior year period.
- Group fixed access paths decreased by 27,000 or 2% compared to the prior year; with a reduction in fixed line access net losses of 58,000[4], partly offset by an increase in SABB lines of 31,000.
- Mobile revenue of €257 million increased by €3 million or 1% compared to the corresponding prior year period. A reduction in prepay and mobile broadband revenues was offset by an increase in postpay, roaming, and other mobile revenues.
- Total mobile customers at 31 March 2020 were 1,171,000[5], including 760,000 postpay customers and 411,000 prepay customers. The postpay customer base increased by 199,000 or 35% year on year, driven by the company's new mobile network GoMo, bringing the proportion of customers on postpay contracts to 65%, an increase of 11 percentage points year on year. The prepay base reduced by 60,000 or 13% year on year, mainly due to migration to postpay contracts.
- Group operating costs[6] of €476 million were reduced by €33 million or 7% compared to the corresponding prior year period.
- Full Time Equivalent (FTE) staff totalled 3,344 at 31 March 2020, a decrease of 183 FTE or 5% year on year, driven by additional voluntary leave.
- Despite continued high levels of capital investment, the Group maintains strong liquidity with cash on hand of €217 million at 31 March 2020.

[1] The figures presented above include amounts relating to the Groups 56% share in Tetra Ireland Communication Limited ("Tetra"). Following the adoption of IFRS 11, Joint Arrangements, Tetra is reported in the financial statements under the equity method as opposed to proportionate consolidation. The management discussion and analysis section of this quarterly report presents results on a management accounting basis and therefore includes the results of the Group's joint ventures on a proportionate basis, reflected in Group revenue, operating costs and EBITDA.

[2] Adjusted EBITDA is earnings before interest, taxation, amortisation, depreciation, non-cash lease fair value credits, non-cash pension charge, management charge, profit on disposal of Property, Plant and Equipment and exceptional items.

[3] Combined retail and wholesale excluding LLU and line share, including SABB .

[4] Combined retail and wholesale access line losses including LLU.

[5] Mobile base is a combination of handset subscriptions, machine to machine and mobile broadband subscriptions.

[6] Operating costs are pay and non-pay costs before non-cash pension charge, lease fair value credits and management charge.

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KPIs for the nine months ended 31 March (unaudited)

	As at and for the nine months ended 31 March 2019 (unaudited)	As at and for the nine months ended 31 March 2020 (unaudited)	Better / (Worse) % N1
Group Access Paths Base ('000)			
Retail Access Lines	653	621	(5%)
Retail SABB*	31	26	(16%)
Wholesale Access Lines	482	457	(5%)
Wholesale SABB [7]	156	192	23%
Wholesale LLU [8]	3	2	(30%)
Total Access Paths	**1,325**	**1,298**	**(2%)**
Retail Voice Traffic (millions of minutes)	850	742	(13%)
Broadband Lines ('000)			
Retail	464	453	(2%)
Wholesale	477	501	5%
Total Broadband Lines	**941**	**954**	**1%**
- *of which fibre broadband*	*688*	*748*	*9%*
Mobile Customers ('000)			
Prepay Handsets	465	406	(13%)
Prepaid MBB	6	5	(15%)
Total Prepaid Base	**471**	**411**	**(13%)**
Postpay Handsets (including M2M)	530	734	38%
Postpaid MBB	31	26	(15%)
Total Postpaid Base	**561**	**760**	**35%**
Total Mobile Customers	**1,032**	**1,171**	**13%**
ARPU'S € N2 & N3			
Consumer Blended ARPU	49.8	50.3	1%
WLR PSTN ARPU	16.5	16.5	0%
Bitstream ARPU (including SABB)	14.9	13.8	(7%)
Prepaid ARPU (including MBB)	15.6	15.5	(0%)
Postpaid ARPU (including MBB/M2M)	32.4	28.6	(12%)
Closing Headcount	**3,527**	**3,344**	**5%**

[7] SABB - Standalone Broadband
[8] LLU - Local Loop Unbundled

eircom Holdings (Ireland) Limited

Basis of preparation

This financial information has been prepared to make available certain unaudited condensed consolidated financial information to the holders of the group's Senior Secured Notes. Accordingly, the group has not prepared this financial information in accordance with IAS 34 – "Interim Financial Information" and has not carried out an impairment review of the carrying value of goodwill and other non-current assets as at 31 March 2020. In addition, the group has prepared this financial information under the previous lease recognition standard: 'IAS 17 Leases' and will not be preparing financial information under IFRS 16, 'Leases' until the latter part of the financial year ending 30 June 2020.

The financial information for the period ended 31 March 2019 was prepared under the previous revenue recognition standard: 'IAS 18 Revenue', etc. and has been restated using the new standards IFRS 15, 'Revenue from Contracts with Customers' and IFRS 9, 'Financial instruments' as applied at the year ended 30 June 2019.

This condensed interim financial information has been prepared on the going concern basis, which assumes that eircom Holdings (Ireland) Limited will continue in operational existence for the foreseeable future.

The financial information, as at and for the period ended 31 March 2020, in respect of the group has been prepared using the same accounting policies as applied for the year ended 30 June 2019. For a more complete discussion of our significant accounting policies and other information, including our critical accounting judgements and estimates, this report should be read in conjunction with the financial statements of EHIL for the year ended 30 June 2019.

Reconciliation of statutory financial statements [9] to the results presented in the management discussion and analysis section within this quarterly document

	In the quarter ended 31 March 2019 [10]			**In the quarter ended 31 March 2020**		
	Reported €m	**Adjusted €m**	**Statutory €m**	**Reported €m**	**Adjusted €m**	**Statutory €m**
Revenue	305	(5)	300	**305**	**(5)**	**300**
Operating costs excluding non-cash pension charge and fair value lease credits	(162)	2	(160)	**(150)**	**2**	**(148)**
Adjusted EBITDA[11]	143	(3)	140	**155**	**(3)**	**152**
Closing Cash	237	(7)	230	**217**	**(7)**	**210**

	In the nine months ended 31 March 2019 [10]			**In the nine months ended 31 March 2020**		
	Reported €m	**Adjusted €m**	**Statutory €m**	**Reported €m**	**Adjusted €m**	**Statutory €m**
Revenue	937	(14)	923	**920**	**(14)**	**906**
Operating costs excluding non-cash pension charge and fair value lease credits	(509)	(6)	(503)	**(476)**	**(6)**	**(470)**
Adjusted EBITDA [11]	428	(8)	420	**444**	**(8)**	**436**
Closing Cash	237	(7)	230	**217**	**(7)**	**210**

[9] The statutory financial statements are prepared in accordance with IFRS accounting principles (excluding IFRS 16) and include the results of the group's joint ventures using the equity accounting basis rather than on a proportionate consolidation basis. The management discussion and analysis section of this quarterly report presents results on a management accounting basis and therefore includes the results of the group's joint ventures on a proportionate basis, reflected in group revenue, operating costs and EBITDA.

[10] Prior year periods have been restated for IFRS 15 effective on accounting periods after 1 January 2018.

[11] Adjusted EBITDA is earnings before interest, taxation, amortisation, depreciation, non-cash pension charge, management charge, non-cash lease contracts, exceptional items and profit on disposal of property, plant and equipment.

eircom Holdings (Ireland) Limited

Reconciliation of earnings before interest, taxation, amortisation, depreciation, non-cash lease fair value credits, non-cash pension charges, management charge and exceptional items to operating profit

	Third quarter ended Mar 2019 €m	**Third quarter ended Mar 2020 €m**	Nine months ended Mar 2019 €m	**Nine months ended Mar 2020 €m**
Operating (loss)/profit	(40)	**48**	**41**	**139**
Exceptional items	81	**11**	**91**	**17**
Management charge	-	**1**	**-**	**5**
Non-cash pension charge	4	**3**	**12**	**10**
Operating profit before non-cash pension charges, management charge and exceptional items	45	**63**	**144**	**171**
Depreciation	75	**71**	**215**	**209**
Amortisation	22	**18**	**67**	**57**
EBITDA before non-cash pension charges, management charge and exceptional items	142	**152**	**426**	**437**
IFRS 3 unfavourable lease fair value adjustment	(2)	**-**	**(6)**	**(1)**
Adjusted EBITDA before non-cash lease fair value credits, non-cash pension charges, management charge and exceptional items	140	**152**	**420**	**436**
EBITDA of joint ventures using proportionate consolidation	3	**3**	**8**	**8**
Reported EBITDA* before non-cash lease fair value credits, non-cash pension charges, management charge and exceptional items	143	**155**	**428**	**444**

Reported EBITDA* before non-cash lease fair value credits, non-cash pension charges, management charge and exceptional items is split as follows:				
Fixed line	119	**122**	360	**361**
Mobile	24	**33**	68	**83**
	143	**155**	428	**444**

***** *Reported EBITDA includes the results of the group's joint ventures on a proportionate basis. The statutory basis includes the results of the group's joint ventures using the equity accounting basis rather than on a proportionate consolidation basis.*

eircom Holdings (Ireland) Limited

Consolidated Income Statement – unaudited
For the third quarter ended 31 March 2020

	31 March 2019	31 March 2020
	€m	**€m**
Revenue	**300**	**300**
Operating costs excluding amortisation, depreciation and exceptional items	**(162)**	**(152)**
Amortisation	**(22)**	**(18)**
Depreciation	**(75)**	**(71)**
Exceptional items	**(81)**	**(11)**
Operating (loss)/profit	**(40)**	**48**
Finance costs – net	**(22)**	**(21)**
Share of profit of joint venture	**2**	**2**
(Loss)/profit before tax	**(60)**	**29**
Income tax credit/(charge)	**6**	**(2)**
(Loss)/profit for the period	**(54)**	**27**

Consolidated Income Statement – unaudited
For the nine-month period ended 31 March 2020

	Notes	31 March 2019	31 March 2020
		€m	**€m**
Revenue	3	923	**906**
Operating costs excluding amortisation, depreciation and exceptional items		(509)	**(484)**
Amortisation	3	(67)	**(57)**
Depreciation	3	(215)	**(209)**
Exceptional items	3, 4	(91)	**(17)**
Operating profit	3	41	**139**
Finance costs – net	5	(69)	**(72)**
Share of profit of joint venture		9	**6**
(Loss)/profit before tax		(19)	**73**
Income tax charge	6	(2)	**(10)**
(Loss)/profit for the period		(21)	**63**

eircom Holdings (Ireland) Limited

Group statement of comprehensive income – unaudited
For the nine-month period ended 31 March 2020

	31 March 2019	31 March 2020
	€m	€m
Loss/(profit) for the financial period attributable to equity holders of the parent	(21)	**63**
Other comprehensive (expense)/income:		
Items that will not be reclassified to profit or loss		
Defined benefit pension scheme remeasurement (losses)/gains:		
- Remeasurement (loss)/gain in period	(75)	419
- Tax on defined benefit pension scheme remeasurement losses/(gains)	9	(52)
	(66)	**367**
Items that may be reclassified subsequently to profit or loss		
Net changes in cash flow hedge reserve:		
- Fair value gain in period	1	1
	1	**1**
Other comprehensive (expense)/income, net of tax	(65)	**368**
Total comprehensive (expense)/ income for the financial period	(86)	**431**

The accompanying notes form an integral part of the condensed interim financial information.

eircom Holdings (Ireland) Limited

Consolidated Balance Sheet – unaudited
As at 31 March 2020

	Notes	30 June 2019	31 March 2020
		€m	€m
Assets			
Non-current assets			
Goodwill		212	**212**
Other intangible assets		240	**198**
Property, plant and equipment		1,365	**1,341**
Investment in joint venture		-	**2**
Retirement benefit asset	9	200	**604**
Deferred tax assets		2	**2**
Other assets		13	**13**
		2,032	**2,372**
Current assets			
Inventories		14	**19**
Trade and other receivables	7	219	**219**
Contract assets		45	**49**
Restricted cash		9	**4**
Cash and cash equivalents		255	**210**
		542	**501**
Total assets		2,574	**2,873**
Liabilities			
Non-current liabilities			
Borrowings	8	2,530	**2,532**
Trade and other payables		26	**19**
Deferred tax liabilities		89	**133**
Provisions for other liabilities and charges	10	183	**170**
		2,828	**2,854**
Current liabilities			
Borrowings	8	100	**50**
Derivative financial instruments		1	**-**
Trade and other payables		485	**455**
Current tax liabilities		-	**10**
Provisions for other liabilities and charges	10	32	**25**
		618	**540**
Total liabilities		3,446	**3,394**
Equity			
Equity share capital		-	**-**
Capital contribution		62	**62**
Cash flow hedging reserve		(1)	**-**
Retained loss		(933)	**(583)**
Total equity		(872)	**(521)**
Total liabilities and equity		2,574	**2,873**

The accompanying notes form an integral part of the condensed interim financial information.

eircom Holdings (Ireland) Limited

Consolidated cash flow statement – unaudited
For the third quarter ended 31 March 2020

	Notes	31 March 2019	31 March 2020
		€m	€m
Cash flows from operating activities			
Cash generated from operations	11	108	**139**
Interest paid		(13)	**(9)**
Income tax paid		(1)	**-**
Net cash generated from operating activities		94	**130**
Cash flows from investing activities			
Purchase of property, plant and equipment (PPE)		(70)	**(60)**
Purchase of intangible assets		(13)	**(7)**
Restricted cash		-	**1**
Net cash used in investing activities		(83)	**(66)**
Cash flows from financing activities			
Proceeds from Revolving Credit Facility		-	**50**
Debt issue costs		-	**(1)**
Debt modification fees		-	**(1)**
Net cash generated from financing activities		-	**48**
Net increase in cash, cash equivalents and bank overdrafts		11	**112**
Cash, cash equivalents and bank overdrafts at beginning of period		219	**98**
Cash, cash equivalents and bank overdrafts at end of period		230	**210**

eircom Holdings (Ireland) Limited

Consolidated cash flow statement – unaudited
For the nine-month period ended 31 March 2020

	Notes	31 March 2019	31 March 2020
		€m	€m
Cash flows from operating activities			
Cash generated from operations	11	306	**367**
Interest paid		(57)	**(52)**
Income tax paid		(6)	**(3)**
Net cash generated from operating activities		243	**312**
Cash flows from investing activities			
Purchase of property, plant and equipment (PPE)		(177)	**(206)**
Purchase of intangible assets		(22)	**(22)**
Dividend received from joint arrangement		7	**4**
Restricted cash		(18)	**5**
Net cash used in investing activities		(210)	**(219)**
Cash flows from financing activities			
Dividends paid to equity shareholders		-	**(80)**
Repayment on borrowings		-	**(700)**
Proceeds from issuance of 1.75% Senior Secured Notes		-	**350**
Proceeds from issuance of 2.625% Senior Secured Notes		-	**350**
Repayment on Revolving Credit Facility		-	**(100)**
Proceeds from Revolving Credit Facility		-	**50**
Debt issue costs		-	**(5)**
Debt modification fees		-	**(3)**
Net cash used in financing activities		-	**(138)**
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		33	**(45)**
Cash, cash equivalents and bank overdrafts at beginning of period		197	**255**
Cash, cash equivalents and bank overdrafts at end of period		230	**210**

The accompanying notes form an integral part of the condensed interim financial information.

eircom Holdings (Ireland) Limited

Consolidated statement of changes in shareholders' equity – unaudited
For the nine-month period ended 31 March 2020

	Equity share capital €m	Capital contribution €m	Cash flow hedging reserve €m	Retained loss €m	Total equity €m
Balance at 30 June 2018	-	62	(2)	(784)	(724)
Effect of adopting new accounting standard IFRS 15	-	-	-	47	47
Effect of adopting new accounting standard IFRS 9	-	-	-	(42)	(42)
Balance at 1 July 2018 (Restated)	**-**	**62**	**(2)**	**(779)**	**(719)**
Loss for the period	-	-	-	(21)	(21)
Defined benefit pension scheme remeasurement loss	-	-	-	(75)	(75)
Tax on defined benefit pension scheme remeasurement loss	-	-	-	9	9
Cash flow hedges:					
- Fair value gain in year	-	-	1	-	1
Total comprehensive income/(expense)	-	-	1	(87)	(86)
Balance at 31 March 2019	-	62	(1)	(866)	(805)
Balance at 30 June 2019	**-**	**62**	**(1)**	**(933)**	**(872)**
Profit for the period	-	-	-	63	63
Defined benefit pension scheme remeasurement gain	-	-	-	419	419
Tax on defined benefit pension scheme remeasurement gain	-	-	-	(52)	(52)
Cash flow hedges:					
- Fair value gain in year	-	-	1	-	1
Total comprehensive income	**-**	**-**	**1**	**430**	**431**
Dividends relating to equity shareholder	-	-	-	**(80)**	**(80)**
Balance at 31 March 2020	**-**	**62**	**-**	**(583)**	**(521)**

The accompanying notes form an integral part of the condensed interim financial information.

eircom Holdings (Ireland) Limited

Selected notes to the condensed interim financial information – unaudited

1. General information

eircom Holdings (Ireland) Limited ("the company' or "EHIL") and its subsidiaries together ("the group" or "eircom Holdings (Ireland) Limited group" or "EHIL Group"), provide fixed line and mobile telecommunications services in Ireland.

This condensed consolidated interim financial information was approved for issue on 20 May 2020.

2. Basis of preparation

This financial information has been prepared to make available certain unaudited condensed consolidated financial information to the holders of the group's Senior Secured Notes. Accordingly, the group has not prepared this financial information in accordance with IAS 34 – "Interim Financial Information" and has not carried out an impairment review of the carrying value of goodwill and other non-current assets as at 31 March 2020. In addition, the group has prepared this financial information under the previous lease recognition standard: 'IAS 17 Leases' and will not be preparing financial information under IFRS 16, 'Leases' until the latter part of the financial year ending 30 June 2020.

The financial information for the period ended 31 March 2019 was prepared under the previous revenue recognition standard: 'IAS 18 Revenue', etc. and has been restated using the new standards IFRS 15, 'Revenue from Contracts with Customers' and IFRS 9, 'Financial instruments' as applied at the year ended 30 June 2019.

This condensed interim financial information has been prepared on the going concern basis, which assumes that eircom Holdings (Ireland) Limited will continue in operational existence for the foreseeable future.

The financial information, as at and for the period ended 31 March 2020, in respect of the group has been prepared using the same accounting policies as applied for the year ended 30 June 2019. For a more complete discussion of our significant accounting policies and other information, including our critical accounting judgements and estimates, this report should be read in conjunction with the financial statements of EHIL for the year ended 30 June 2019.

eircom Holdings (Ireland) Limited

Selected notes to the condensed interim financial information – unaudited (continued)

3. Segment information

The group provides communications services, principally in Ireland. The group is organised into two main operating segments: fixed line and mobile.

The segment results for the nine-month period ended 31 March 2020 are as follows:

	Fixed line €m	Mobile €m	Inter-segment €m	Reported* €m	Adjusted €m	Statutory* €m
Revenue	690	257	(27)	**920**	(14)	**906**
EBITDA **	361	83	-	**444**	(8)	**436**
Non-cash lease fair value credits	1	-	-	**1**	-	**1**
Non-cash pension charges	(10)	-	-	**(10)**	-	**(10)**
Management charge	(5)	-	-	**(5)**	-	**(5)**
Amortisation	(42)	(15)	-	**(57)**	-	**(57)**
Depreciation	(188)	(22)	-	**(210)**	1	**(209)**
Exceptional items	(17)	-	-	**(17)**	-	**(17)**
Operating profit	**100**	**46**	**-**	**146**	**(7)**	**139**

The segment results for the nine-month period ended 31 March 2019 are as follows:

	Fixed line €m	Mobile €m	Inter-segment €m	Reported* €m	Adjusted €m	Statutory* €m
Revenue	709	254	(26)	**937**	(14)	**923**
EBITDA **	360	68	-	**428**	(8)	**420**
Non-cash lease fair value credits	6	-	-	**6**	-	**6**
Non-cash pension charges	(12)	-	-	**(12)**	-	**(12)**
Amortisation	(52)	(15)	-	**(67)**	-	**(67)**
Depreciation	(191)	(22)	-	**(213)**	(2)	**(215)**
Exceptional items	(97)	6	-	**(91)**	-	**(91)**
Operating profit	**14**	**37**	**-**	**51**	**(10)**	**41**

* Reported EBITDA includes the results of the group's joint ventures on a proportionate basis. The statutory basis includes the results of the group's joint ventures using the equity accounting basis rather than on a proportionate consolidation basis.

** EBITDA is earnings before interest, taxation, amortisation, depreciation, non-cash lease fair value credits, non-cash pension charges, management charge and exceptional items.

Selected notes to the condensed interim financial information – unaudited (continued)

4. Exceptional items

	31 March 2019 €m	31 March 2020 €m
Restructuring programme costs	1	**16**
Onerous lease contracts	80	**-**
Group re-organisation costs	5	**-**
Other exceptional costs	5	**1**
	91	**17**

The group has adopted an income statement format which seeks to highlight significant items within group results for the period. The group believe that this presentation provides additional analysis as it highlights significant or one-off items. Judgement is used by the group in assessing the particular items, which by virtue of their scale and nature are disclosed in the group income statement and related notes as exceptional items.

Restructuring programme costs
The group included an exceptional charge of €16 million for restructuring programme costs in respect of staff exits in the period ended 31 March 2020 (31 March 2019: €1 million).

Onerous lease contracts
During the period ended 31 March 2019, the group recognised an exceptional charge of €80 million in respect of onerous contracts on its leasehold properties. The group no longer requires these properties as a result of the rationalisation of the group's accommodation requirements and provision has been made in respect of the estimated cash flow required to meet the future lease payments net of any sub-lease income for these leases.

Group re-organisation costs
The group included an exceptional charge of €5 million for re-organisation costs in the period ended 31 March 2019.

Other exceptional costs
During the period ended 31 March 2020, the group recognised an exceptional charge of €1 million in respect of legal and other related matters (31 March 2019: €5 million).

5. Finance costs – net

	31 March 2019 €m	31 March 2020 €m
(a) Finance costs:		
Interest payable on bank loans and other debts	64	**64**
Net interest cost on net pension liability	1	**(2)**
Amortisation of debt issue costs and debt modification fees	2	**2**
Other unwinding of discount	2	**1**
Other finance costs	-	**1**
	69	**66**
Write off of debt modification fees	-	**6**
	69	**72**
(b) Finance income:		
Interest income	-	**-**
	-	**-**
Finance costs – net	69	**72**

eircom Holdings (Ireland) Limited

Selected notes to the condensed interim financial information – unaudited (continued)

6. Income tax charge

The tax on the group's (loss)/profit before tax differs from the amount that would arise using the weighted average tax rate applicable to the (loss)/profit of the group as follows: -

	31 March 2019 €m	31 March 2020 €m
(Loss)/profit before tax	(19)	**73**
Tax calculated at Irish standard tax rate of 12.5%	(2)	**9**
Effects of:-		
Non-deductible expenses	5	**3**
Utilisation of losses carried forward	(1)	**(2)**
Tax charge for the period	2	**10**

7. Trade and other receivables

During the period ended 31 March 2020, the group recognised a provision for impaired receivables of €8 million (31 March 2019: €6 million), reversed provisions for impaired receivables of €1 million (31 March 2019: €Nil) and utilised provisions for impaired receivables of €1 million (31 March 2019: €4 million). The creation and reversal of provisions for impaired receivables have been included in "operating costs" in the income statement.

8. Borrowings

The maturity profile of the carrying amount of the group's borrowings is set out below.

	Within 1 Year €m	Between 1 & 2 Years €m	Between 2 & 5 Years €m	After 5 Years €m	Total €m
As at 31 March 2020					
Bank borrowings (Facility B)	**-**	**-**	**-**	**1,100**	**1,100**
Debt modification fees	**-**	**-**	**-**	**(9)**	**(9)**
	-	**-**	**-**	**1,091**	**1,091**
3.5% Senior Secured Notes due 2026	**-**	**-**	**-**	**750**	**750**
1.75% Senior Secured Notes due 2024	**-**	**-**	**350**	**-**	**350**
2.625% Senior Secured Notes due 2027	**-**	**-**	**-**	**350**	**350**
Debt issue costs	**-**	**-**	**(2)**	**(7)**	**(9)**
	-	**-**	**348**	**1,093**	**1,441**
Revolving credit facility	**50**	**-**	**-**	**-**	**50**
	50	**-**	**348**	**2,184**	**2,582**
As at 30 June 2019					
Bank borrowings (Facility B)	-	-	455	1,345	1,800
Debt modification fees	-	-	(3)	(11)	(14)
	-	-	452	1,334	1,786
3.5% Senior Secured Notes due 2026	-	-	-	750	750
Debt issue costs	-	-	-	(6)	(6)
	-	-	-	744	744
Revolving credit facility	100	-	-	-	100
	100	-	452	2,078	2,630

At 31 March 2020, the group has Senior Bank borrowings of €1,100 million with a maturity date of 15 May 2026, 3.5% Senior Secured Notes of €750 million with a maturity date of 15 May 2026, 1.75% Senior Secured Notes of €350 million with a maturity date of 1 November 2024 and 2.625% Senior Secured Notes of €350 million with a maturity date of 15 February 2027.

At 31 March 2020, the group has a €50 million revolving credit facility, which was fully drawn down at 31 March 2020.

Interest accrued on borrowings at 31 March 2020 is €19 million (30 June 2019: €7 million). This is included in trade and other payables.

9. Pensions

The group's pension commitments are funded through separately administered Superannuation Schemes and are principally of a defined benefit nature. The group undertakes a full review of the retirement benefit liability at each quarter end in accordance with IAS 19 (Revised). The balance sheet presented as at 31 March 2020 reflects the IAS 19 (Revised) surplus of €604 million as at 31 March 2020.

Pension scheme obligation

The status of the principal scheme at 31 March 2020 is as follows:

	30 June 2019 €m	31 Mar 2020 €m
Present value of funded obligations	(4,277)	**(3,727)**
Fair value of scheme assets	4,477	**4,331**
Asset recognised in the Balance Sheet	200	**604**

Assumptions of actuarial calculations

The main financial assumptions used in the valuations were:

	At 30 June 2019	At 31 Mar 2020
Rate of increase in salaries	1.00%	0.65%
Rate of increase in pensions in payment	1.00%	0.65%
Discount rate	1.35%	1.80%
Inflation assumption	1.20%	0.85%
Mortality assumptions – Pensions in payment – Implied life expectancy for 65 year old male	87 years	87 years
Mortality assumptions – Pensions in payment – Implied life expectancy for 65 year old female	89 years	89 years
Mortality assumptions – Future retirements – Implied life expectancy for 65 year old male	90 years	90 years
Mortality assumptions – Future retirements – Implied life expectancy for 65 year old female	91 years	91 years

The above assumptions reflect the imposition of a cap on the increases in pensionable pay to the lower of CPI, salary inflation or agreed fixed annual rates.

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Selected notes to the condensed interim financial information – unaudited (continued)

10. Provisions for other liabilities and charges

	Onerous Contracts €m	TIS Annuity Scheme €m	Asset Retirement Obligations €m	Other €m	Total €m
At 30 June 2019	**115**	**8**	**54**	**38**	**215**
Charged to consolidated income statement:					
- Additional provisions	-	-	-	3	**3**
- Non-cash fair value lease credits	(1)	-	-	-	**(1)**
Transfer to receivables	-	-	-	(6)	**(6)**
Utilised in the financial period	(11)	(2)	-	(3)	**(16)**
At 31 March 2020	**103**	**6**	**54**	**32**	**195**

Provisions have been analysed between non-current and current as follows:

	30 June 2019 €m	31 Mar 2020 €m
Non-current	183	**170**
Current	32	**25**
	215	**195**

11. Cash generated from operations

	31 Mar 2019 €m	31 Mar 2020 €m
(Loss)/profit after tax	(21)	**63**
Add back:		
Income tax charge	2	**10**
Share of profit of joint venture	(9)	**(6)**
Finance costs – net	69	**72**
Operating profit	41	**139**
Adjustments for:		
- Depreciation and amortisation	282	**266**
- Non-cash lease fair value credits	(6)	**(1)**
- Non cash retirement benefit charges	12	**10**
- Management charge	-	**5**
- Restructuring programme costs	1	**16**
- Non cash exceptional items	85	**(2)**
- Other non cash movements in provisions	2	**3**
Cash flows relating to restructuring, management charge and other provisions	(88)	**(43)**
Changes in working capital		
Inventories	(5)	**(5)**
Trade and other receivables	(33)	**(16)**
Trade and other payables	15	**(5)**
Cash generated from operations	306	**367**

12. Post Balance Sheet Events

There have been no significant events affecting the group since the period ended 31 March 2020.

13. Contingent liabilities

There have been no material changes in our contingent liabilities since the publication of the financial statements of EHIL in the bondholder's report for the year ended 30 June 2019.

14. Guarantees

There have been no material changes in our credit guarantees and in derivatives since the publication of the financial statements of EHIL in the bondholder's report for the year ended 30 June 2019.

15. Seasonality

Fixed line
The group does not believe that seasonality has a material impact on our fixed line business.

Mobile
The group's mobile business tends to experience an increase in sales volumes in the weeks approaching Christmas due to the seasonal nature of its retail business. The group's mobile business experiences significant postpay and prepay subscriber growth and related costs of handset subsidies and commissions in November and December. Visitor roaming revenues are also seasonally significant because Ireland is a popular tourist destination during the summer months.

16. Commitments

Operating lease commitments
The group's operating lease contractual obligations and commitment payments were €260 million at 31 March 2020 (30 June 2019: €269 million). The payments due on operating leases are in respect of lease agreements in respect of properties, vehicles, plant and equipment for which the payments extend over a number of years.

Capital commitments
The group's capital contractual obligations and commitment payments were €53 million at 31 March 2020 (30 June 2019: €35 million).

17. Related party transactions

There have been no material changes in our related party transactions since the publication of the financial statements of EHIL in the bondholder's report for the year ended 30 June 2019.

Management discussion and analysis on results of operations for the nine months ended 31 March 2020

The amounts and commentary presented in the management discussion below include the results of the group's joint venture in Tetra Ireland Communications Limited ("Tetra") on a proportionate consolidation basis. In accordance with IFRS 11 'Joint Arrangements' the EHIL consolidated financial statements for the nine months ended 31 March 2020 applies the equity method of accounting for the investment in Tetra.

Certain comparative figures have been re-grouped and re-stated where necessary on the same basis as those for the current financial quarter. Mobile service and equipment revenues and sales costs have been restated to include comparative for adjustments made in implementation of IFRS 15 applied at the end of financial year 2019.

Revenue

The following table shows a segmental split of revenues for the period from our fixed line and mobile businesses:

	For the nine months ended		
	31 Mar 2019 (unaudited)	31 Mar 2020 (unaudited)	% Change
	€m	€m	
Fixed line services and other revenue	709	690	(3%)
Mobile services revenue	254	257	1%
Total segmental revenue	963	947	(2%)
Intracompany eliminations	(26)	(27)	(5%)
Total revenue	937	920	(2%)

Reported group revenue of €920 million for the nine months ended 31 March 2020 decreased by 2% year on year. The fixed line revenue decrease of 3% was mainly driven by a reduction in traditional access base, voice traffic, and managed services revenues, as well as by the impact of wholesale regulatory pricing, partly offset by growth in broadband and data services revenue. The mobile revenue increase of 1% was driven by an increase in postpay, roaming, and other mobile revenues, partly offset by a decrease in prepay and mobile broadband revenues.

Fixed line services and other revenue

The following table shows revenue from the fixed line segment, analysed by major products and services, and the percentage change for each category, for the periods indicated:

	For the nine months ended		
	31 Mar 2019 (unaudited)	31 Mar 2020 (unaudited)	% Change
	€m	€m	
Access (Rental and Connections)	340	337	(1%)
Voice Traffic (including Foreign Inpayments)	171	155	(10%)
Data Services	74	79	6%
Other Products and Services	124	119	(4%)
Total fixed line services and other revenue	709	690	(3%)

Total fixed line services and other revenue for the nine months ended 31 March 2020 (before intra company eliminations) decreased by 3% year on year. This decrease was driven by a decline in voice traffic revenue of 10%, a decrease in access revenue of 1%, and a decrease in other products and services revenue of 4%, partly offset by a 6% increase in data services revenue.

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Access (rental and connections)

The following table shows rental, connection and other charges and the percentage changes for the periods indicated:

	For the nine months ended		
	31 Mar 2019 (unaudited)	**31 Mar 2020 (unaudited)**	**% Change**
	€m	**€m**	
Access revenue			
Retail PSTN/ISDN rental and connection	143	140	(2%)
Wholesale PSTN/ISDN/LLU rental and connection	80	77	(4%)
Broadband rental and connection	117	120	3%
Total access revenue	340	337	(1%)
Access paths	**'000**	**'000**	
Retail Access Lines	653	621	(5%)
Wholesale Access Lines	482	457	(5%)
Wholesale LLU	3	2	(30%)
SABB	187	218	16%
Total PSTN/ISDN/LLU/SABB	1,325	1,298	(2%)
Broadband and Bitstream	**'000**	**'000**	
Retail Broadband	464	453	(2%)
Wholesale Broadband	477	501	5%
Total Broadband (including SABB)	941	954	1%
- of which fibre broadband	688	748	9%

Access revenues of €337 million for the nine months ended 31 March 2020 decreased by 1% year on year. The decline was driven by a 2% and 4% decline in retail and wholesale access line revenues respectively, partly offset by a 3% increase in broadband revenue.

Retail access revenue declined by 2% in the nine months ended 31 March 2020 year on year, mainly due to declines in PSTN and ISDN lines. Retail access lines of 621,000 declined by 5% when compared to 31 March 2019.

Wholesale access revenue declined by 4% in the nine months ended 31 March 2020 year on year. Wholesale access lines of 457,000 declined by 5% when compared to 31 March 2019.

Broadband revenue increased by 3% for the nine months ended 31 March 2020 year on year. Wholesale regulatory price reductions were offset by growth in the group broadband base of 1% or 13,000 lines year on year, as well as by continued migration of the base to fibre services. The retail broadband customer base of 453,000 decreased by 2% year on year, while the wholesale broadband base of 501,000 increased by 5%. The Group fibre base increased by 9% or 60,000 in the same period.

Traffic

The following table shows total traffic revenue and volumes and the percentage changes for the periods indicated:

	For the nine months ended		
	31 Mar 2019 (unaudited)	31 Mar 2020 (unaudited)	% Change
	€m	€m	
Traffic revenue			
Retail	126	116	(9%)
Wholesale (including Foreign Inpayments)	45	39	(12%)
Total traffic revenue	171	155	(10%)
	(in millions of minutes, except percentages)		
Traffic minutes			
Retail	850	742	(13%)
Wholesale (including Foreign Traffic Minutes)	2,610	2,299	(12%)
Total traffic minutes	3,460	3,041	(12%)

Total traffic revenue and traffic minutes decreased by 10% and 12% for the nine months ended 31 March 2020 respectively compared to the corresponding prior year period, driven by a 2% decline in the group's traditional access line base and reduced demand for traditional voice services.

Data communications

The following table shows information relating to revenue from data communications products and services and the percentage change for the periods indicated:

	For the nine months ended		
	31 Mar 2019 (unaudited)	31 Mar 2020 (unaudited)	% Change
	€m	€m	
Data communications revenue			
Leased lines	44	41	(8%)
Switched data services	6	10	63%
Next generation data services	24	28	18%
Total data communications revenue	74	79	6%

Data communications revenue increased by 6% for the nine months ended 31 March 2020 when compared to the corresponding prior year period. A decrease in leased lines revenue of 8% was offset by a 63% and 18% increase in switched data services and next generation data services revenues respectively, reflecting the continuing shift from legacy products to next generation services.

Other products and services

Other products and services revenue includes our 56% share of revenue from Tetra, TV, eir Sport, our operations in UK/NI, operator services, managed services, data centres and other revenue.

The following table shows information relating to revenue from other products and services, and the percentage change for the periods indicated:

	For the nine months ended		
	31 Mar 2019 (unaudited)	**31 Mar 2020 (unaudited)**	**% Change**
	€ m	**€ m**	
Other products and services			
TV and content	30	30	(2%)
Managed services and solutions	35	32	(7%)
Tetra	17	16	(4%)
UK	19	17	(10%)
Data centre	6	6	1%
Other revenue	17	17	4%
Other products and services revenue	124	119	(4%)

Other products and services revenue decreased by 4% for the nine months ended 31 March 2020 when compared to the corresponding prior year period. TV and content revenue decreased by 2% mainly driven by a 3% decrease in TV subscribers year on year. Managed services revenue decreased by 7% due to a reduction in low margin revenue related to eir Business. Tetra revenue declined by 4%, while UK revenue decreased by 10%. Data centre revenue remained broadly stable, while other revenue increased by 4% year on year.

Mobile services revenue

The following table shows revenue from Mobile services, analysed by major products and services.

Mobile services revenue comprises prepay and postpay revenues including interconnect, mobile broadband and machine to machine. Other revenue is derived mainly from device sales and wholesale foreign roaming revenue.

	For the nine months ended		
	31 Mar 2019 (unaudited)	**31 Mar 2020 (unaudited)**	**% Change**
	€m	**€m**	
Mobile revenue			
Prepay handset	69	62	(10%)
Postpay handset (incl. M2M)	119	124	5%
Mobile broadband	7	6	(20%)
Roaming	6	8	30%
Other mobile revenue	53	57	8%
Total mobile revenue	254	257	1%
Mobile subscribers	**'000**	**'000**	
Prepay handset customers	465	406	(13%)
Postpay handset customers (incl. M2M)	530	734	38%
Mobile broadband customers	37	31	(15%)
Of which are prepay customers	6	5	(15%)
Of which are postpay customers	31	26	(14%)
Total mobile subscribers	1,032	1,171	13%

Total mobile revenue of €257 million for the nine months ended 31 March 2020 increased by 1% when compared to the corresponding prior year period.

Prepay handset revenue declined by 10% when compared to the corresponding prior year period, mainly due to a decline in prepay customers of 59,000 or 13% year on year, largely driven by customers migrating to postpay contracts. Postpay handset revenue increased by 5%, mainly due to an increase in postpay handset (including M2M) subscribers of 204,000 or 38% year on year. GoMo, the Group's new mobile service and postpay offering, has partly driven the change in mix of the subscriber base.

Mobile broadband revenue decreased by 20%, driven by the decline in the mobile broadband base of 15% year on year. Roaming revenue increased by 30%, driven by an EU-directed court decision allowing the Company to claim back VAT paid. Other mobile revenue increased by 8%, driven by handset revenues relating to a transition to a direct handset purchasing model.

There were a total of 1,171,000 mobile subscribers as at 31 March 2020, an increase of 13% when compared to the corresponding prior year period. The mix of customers continues to improve, with the proportion of postpay customers (including mobile broadband and M2M) increasing from 54% at 31 March 2019 to 65% at 31 March 2020, representing an increase of 199,000 net additional postpay subscribers (including mobile broadband and M2M subscribers).

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Operating costs before amortisation, depreciation and exceptional items

The following table shows information relating to our operating costs before amortisation, depreciation, and exceptional items, and the percentage change for the periods indicated.

	For the nine months ended		
	31 Mar 2019 (unaudited)	**31 Mar 2020 (unaudited)**	**% Change**
	€m	**€m**	
Cost of sales			
Foreign outpayments	8	7	(19%)
Interconnect	54	49	(10%)
Equipment cost of sales	47	45	(3%)
Other including subsidiaries and new business	96	95	(1%)
Total cost of sales	205	196	(5%)
Pay costs			
Wages and salaries and other staff costs	132	143	9%
Social welfare costs	7	9	25%
Pension cash costs—defined contribution plans	2	3	36%
Pension cash costs—defined benefit plans	10	11	11%
Pay costs before non-cash pension charge and capitalisation	151	166	10%
Capitalised labour	(38)	(40)	6%
Total pay costs before non-cash pension charge	113	126	11%
Non pay costs			
Materials and services	15	12	(22%)
Other network costs	13	13	2%
Accommodation	70	68	(3%)
Sales and marketing	36	17	(53%)
Expected credit losses	6	6	4%
Transport and travel	7	7	(1%)
Customer services	19	8	(61%)
Insurance and compensation	3	4	60%
Professional and regulatory fees	5	4	(19%)
IT costs	13	12	(6%)
Other non-pay costs	4	3	(20%)
Total non-pay costs	191	154	(19%)
Operating costs before non-cash pension charge, amortisation, depreciation, and exceptional items	509	476	(7%)
Non cash pension charge/(credit)	12	10	(17%)
Non cash fair value lease credits	(6)	(1)	(83%)
Management charge	-	5	N.M
Operating costs before, amortisation, depreciation, and exceptional items	515	490	(5%)

Operating costs before non-cash pension charge, non-cash lease fair value credits, amortisation, depreciation, management charge, and exceptional items decreased by 7% for the nine months ended 31 March 2020 compared with the corresponding prior year period.

Cost of Sales

Cost of sales decreased by 5% for the nine months ended 31 March 2020 compared to the corresponding prior year period.

Movements include:

- Foreign outpayments and interconnect payments to other telecommunications operators decreased by 19% and 10% respectively when compared to the prior year period, mainly due to declining fixed traffic revenue and mobile traffic minutes.
- Equipment cost of sales decreased by 3% when compared to prior year, mainly due to timing of commercial investment.
- Other cost of sales remained broadly stable year on year, increasing by 1% when compared to the prior year.

Pay costs

Total pay costs before non-cash pension charge increased by 11% in the nine months ended 31 March 2020 when compared to the corresponding prior year period, mainly driven by a 9% increase in wages and salaries due to insourcing activities.

FTE headcount at 31 March 2020 was 3,344, representing a net decrease of 182 FTE year on year.

Total non-pay costs

Non-pay costs decreased by 19% in the nine months ended 31 March 2020 compared to the corresponding prior year period.

Movements include:

- Customer services costs were reduced by 61% year on year, driven by insourcing and recruitment of customer care, sales, and other customer-facing functions.
- Sales and marketing costs were reduced by 53% year on year, driven by insourcing of sales functions.
- Materials and services costs were reduced by 22% year on year, driven by lower maintenance of network expenditure.
- Accommodation costs were reduced by 3% year on year, driven by the continuing optimisation of the company's property portfolio.

The remaining cost items were broadly stable in the nine months ended 31 March 2020 compared to the corresponding prior year period.

Non-cash pension charge/ (credit)

The non-cash pension charge represents the difference between the amount of cash contributions that the company has agreed to make to the fund during the period, on an accruals basis, and the accounting charges recognised in operating profit in accordance with IAS 19 (Revised). The IAS 19 (Revised) accounting charge is not aligned with the principles that the company applies in measuring its EBITDA. Therefore the non-cash pension charge is included as an adjustment in the reconciliation of EBITDA to operating profit.

Non-cash lease fair value credits

The non-cash lease fair value credit included in the income statement is in respect of the unfavourable lease fair value adjustment which arose on acquisition of eircom Limited. At the date of acquisition, the group was required to recognise a liability for the difference between the amount of future rental payments that had been contractually committed to and the market rent that would have been payable if those contracts had been entered into at that date. The liability is released as a credit to the income statement over the period of the relevant leases. The IFRS accounting treatment is not aligned with the principles that the company applies in measuring its EBITDA. Therefore an adjustment for the non-cash fair value credit is included in the reconciliation of EBITDA to operating profit.

Amortisation

Amortisation charges for the nine-month period ended 31 March 2020 were €57 million, €10 million lower than the prior year period, due to lower amortisation on computer software (€7 million) and TV content rights been fully amortised in the period ended 31 July 2019 (€3 million).

Depreciation of property, plant and equipment

The depreciation charges for the nine-month period ended 31 March 2020 were €210 million, which is €3 million lower than the prior year charge for the same period of €213 million. The decrease in depreciation is mainly due to the reduction in the fair value depreciation adjustment relating to the acquisition of eircom Limited assets in 2012.

Exceptional costs

The exceptional restructuring charge of €16 million is for staff exits in the period ended 31 March 2020. The €16 million includes €2 million for IAS 19 (Revised) defined benefit pension past service costs on staff exits. The other exceptional costs of €1 million in the nine-month period ended 31 March 2020 is in respect of legal and other related matters.

The exceptional charges in the nine-month period ended 31 March 2019 of €91 million includes €80 million for onerous contracts on leasehold properties, €5 million for group re-organisation costs, €5 million for certain legal matters and €1 million for restructuring programme costs for IAS 19 (Revised) defined benefit pension past service costs on staff exits.

Finance costs (net)

The group’s net finance costs for the nine-month period ended 31 March 2020 of €72 million were €3 million higher than the prior year for the same period of €69 million. The increase in finance costs is mainly due to the write off of debt modification fees as a result of the €700 million prepayment of Facility B borrowings.

Taxation

The tax charge for the nine-month period ended 31 March 2020 was €11 million, compared to the prior year corresponding period tax charge of €3 million. The increase in tax reflects the profits of the group in the current year period compared to the loss in the prior year period.

Liquidity

Net cash generated from operating activities

Our primary source of liquidity is cash generated from operations, which represents operating profit adjusted for non-cash items which are principally depreciation, amortisation, impairment, non-cash pension charge, non-cash lease fair value credits and certain non-cash exceptional items. Cash flows from operating activities are also impacted by working capital movements and restructuring and other provision payments.

During the nine-month period ended 31 March 2020, net cash generated from operating activities (including our share of Tetra) was €318 million compared with €251 million in the prior year corresponding period, an increase of €67 million. The increase is mainly due to lower voluntary leaving payments in the period (down €55 million on prior year period) and higher EBITDA in the current year period of €16 million.

Cash flows from investing activities

Total cash used in investing activities was €223 million for the nine-month period ended 31 March 2020, compared with €217 million for the prior year corresponding period, an increase of €6 million. The increase is due to higher capital expenditure payments in the period of €29 million offset by inflows on restricted cash deposits of €5 million compared to prior year outflows on restricted cash deposits of €18 million.

Cash flows from financing activities

In the nine months period ended 31 March 2020, the group issued €350 million of 1.75% Senior Secured Notes and €350 million of 2.625% Senior Secured Notes and used the proceeds to prepay €700 million Facility B borrowings. The group repaid its revolving credit facility of €100 million in the period ending 31 December 2019 but subsequently drew down €50 million of the revolving credit facility during the quarter period ending 31 March 2020.

Debt issue costs of €5 million on the Senior Secured Notes and debt modification fees of €3 million on the Facility B borrowings were paid in the nine month period as well.

Separately, in December 2019, a dividend distribution of €80 million was paid to our equity shareholders, Wexford Limited.

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Other Data

Certain numerical figures set out in this document, including financial data presented in millions or thousands, certain operating data, and percentages describing movements in quarters, have been subject to rounding adjustments and, as a result, the totals of the data in this document may vary slightly from the information presented in this document or the actual arithmetic totals of such information.

Notes:

1. Percentage changes have been calculated based on unrounded data rather than on the rounded data presented in these tables. Certain comparative figures have been re-grouped and re-stated where necessary on the same basis as those for the current financial quarter.
2. Fixed ARPU Calculations:
   - A. We define "Blended consumer fixed ARPU" as the average of the total consumer subscriber revenue divided by the average number of access subscribers (including SABB) in each month. Subscriber revenue is equal to total fixed line consumer revenue excluding revenue from eir Sport and Operator Services.
   - B. We define "WLR PSTN ARPU" as the average of Wholesale PSTN line rental revenue divided by the average number of PSTN WLR access subscribers in each month.
   - C. We define "Bitstream ARPU" as the average of bitstream rental revenue including SABB (recurring revenue) divided by the average number of Wholesale bitstream (including SABB) subscribers in each month.
   - D. We define "the average number of subscribers in the month" as the average of the total number of subscribers at the beginning of the month and the total number of subscribers at the end of the month.
   - E. All Fixed ARPUs are adjusted to reflect the average number of days in a month.
3. Mobile ARPU Calculations:
   - F. We define "Prepay ARPU" as the measure of the sum of the total prepay mobile subscriber revenue including revenue from incoming traffic in the period divided by the average number of prepay mobile subscribers in the period divided by the number of months in the period.
   - A. We define "Postpay ARPU" as the measure of the sum of the total postpay mobile subscriber revenue including revenue from incoming traffic in a period divided by the average number of postpay mobile subscribers in the period divided by the number of months in the period.
   - B. We define "the average number of mobile subscribers in the period" as the average of the total number of mobile subscribers at the beginning of the year and the total number of mobile subscribers at the end of the year.
4. N/M - percentage movement is not meaningful.