eircom Results Presentation

February 7, 2014

Second Quarter and Half Year FY 13/14 Results Presentation

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We work: as one company for our customers together as one team
We are: ambitious, inventive, accountable and cost effective
We do: this with integrity spirit and pride

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Agenda

- Business highlights
- Economic update
- Business update
- Trading Q2 and YTD FY 13/14
- Amend & Extend Summary
- Key themes for FY14
- Q&A

Business highlights

- Continued EBITDA stability
- Significant capability delivered:
  - **TV launched** enabling TV triple play and unique quad play
  - First to market with **4G services**
  - 700,000 premises passed with fibre footprint to reach **1.4 million** premises
- Continued **postpay growth** driving improved mobile profitability despite SAC investment
  - Strong prepay Christmas performance but churn remains high
- Continued **Wholesale growth** offsetting Retail fixed access losses
  - **Retail** broadband **returned to growth** in the quarter contributing to overall group growth of 19,000
- Competitive intensity within **B2B market** creating **challenges** in delivery of stabilisation and growth
- Cost transformation on track – €72m annualised savings. Recent IE scheme delivered 840 exits at Dec '13 and will deliver further 260 FTE reduction by Dec '14
  - However**, increase in network faults** due to adverse weather conditions resulting in higher costs
- **Continued progress but trading conditions are intense and significant challenges remain**

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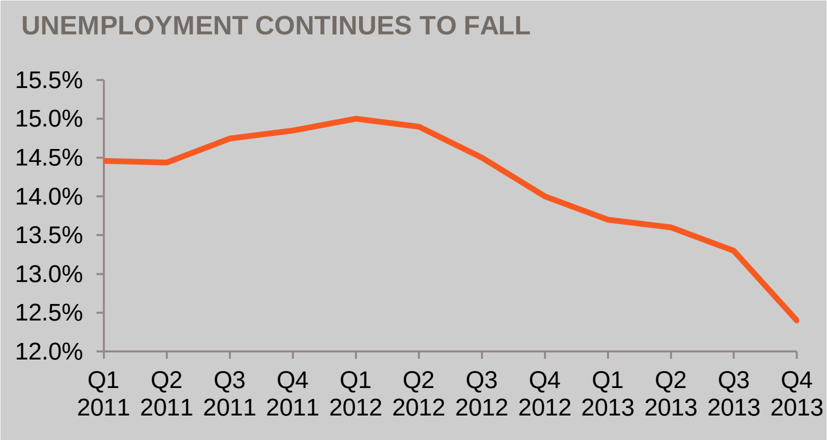
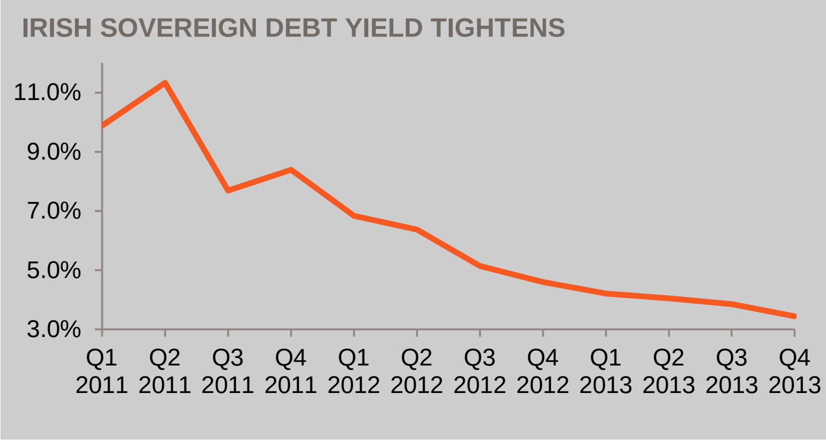
The Irish economy continues to show positive signs





- **In January 2014, Moody's upgraded Irish sovereign debt to investment grade**
- **Ireland made a clean exit from Troika bailout in Dec 2013**
- **Ireland issued 10 year bond Jan 2014 at rate of 3.4% - more than 3 times over subscribed**
- **However, included in the budget 2014 was the full removal of the DSP telephone allowance**

Source: CSO, OECD, IMF forecast

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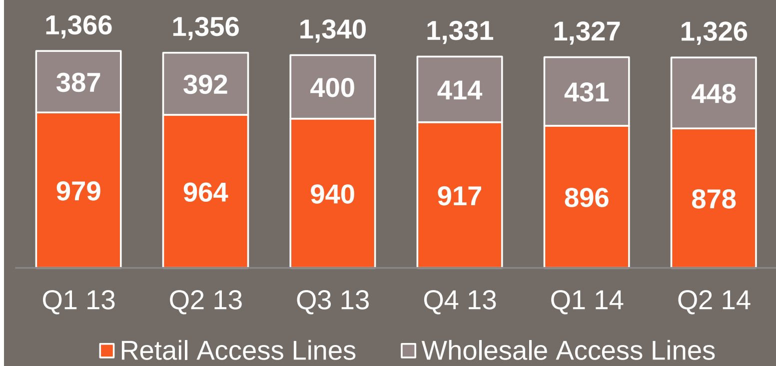
Group fixed line: Launch of new products and services to drive growth

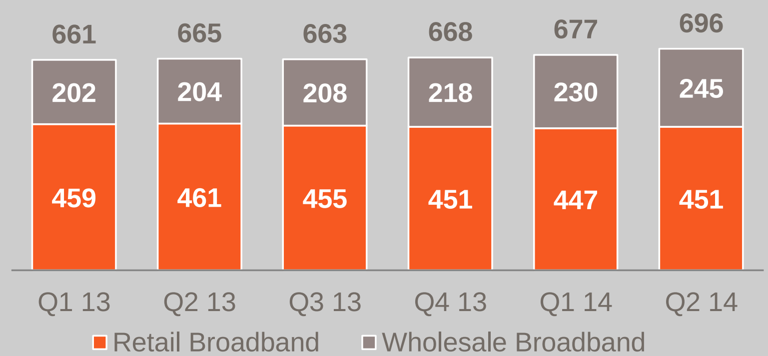
FIXED ACCESS '000

- Stabilisation of fixed line on a combined basis



FIXED BROADBAND '000

- 3 consecutive quarters of group broadband growth



RANGE OF NEW SERVICES

- High speed fibre broadband launched in May '13 – 84,000 Jan '14
- TV launched Oct '13
- Triple play bundles with TV launched
- Quad play bundles now uniquely available in Ireland
- Fixed/mobile bundles launched Oct '12 & continue to grow – 41,000 customers Dec '13

NETWORK INVESTMENT

- Extending to **1.4 million** premises by Jul '16 – 70% of households and business in Ireland
- 700,000 premises passed Dec '13
- Uncongested speeds of up to 70Mb/s
- Speeds of up to 100Mb/s by Mar '14

NGA extended to 1.4 million premises - 70% of all premises in Ireland

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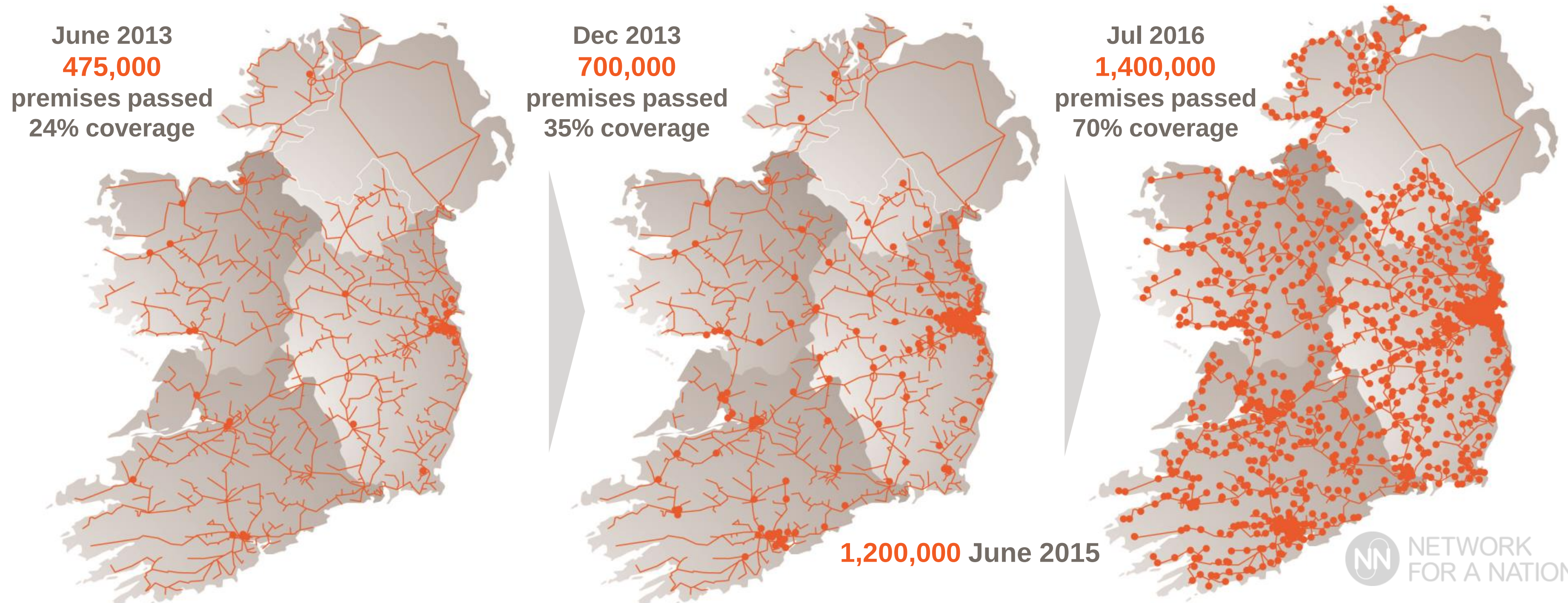
Fibre on track to reach **1,000,000** premises by summer 2014



TV launched in Oct '13 enabling quad play

- **Above the line advertising** from Jan '14
- **Fourth component of bundle** including TV, high speed broadband , mobile and home phone
- Core proposition - **46** channel package for €10
- Content delivering 100 channels - recently introduced 19 new channels
- Extra Packs for customers to choose include;
  - Additional 20 channels for €6
  - Premium Sports including Sky sports*, Setanta Sports, BT Sport, ESPN and Sky* Movies
  - Multi room and HD for €5 each
- Full functioning PVR – play, pause, rewind, record, series record, 240 hours SD recording capacity

** Sky Sports 1, Sky Sports 2, Sky Movies Premiere, Sky Movies Showcase, Sky Movies Disney, Sky Movies Family, Sky Movies Action & Adventure, Sky Movies Comedy*

TV - 19 new channels
More value at no extra cost

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Essential TV

€10.00 per month

- Value for money
- Must-have channels
- PVR as standard
- 46 channels

new

Additional Customer Options

Experience TV

€6.00 per month

- More great TV channels
- + 20 extra channels

HD

€5 per month

- 12 channels

Essential

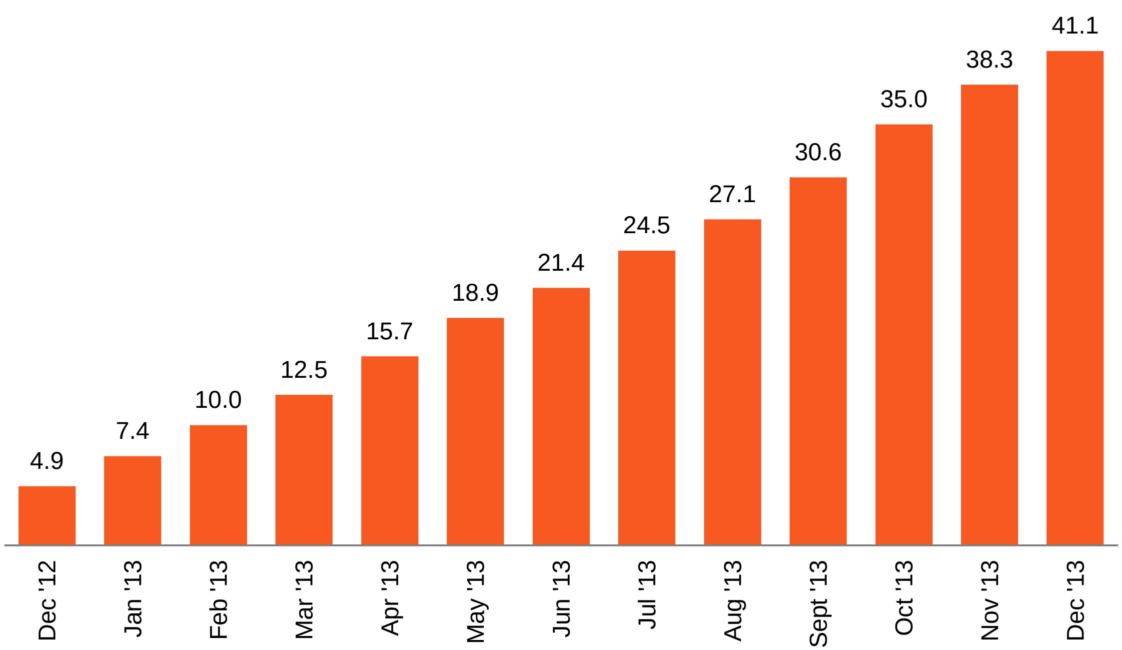
new

Experience

Multiroom	Setanta Sports, BT Sports 1/2 & ESPN	Sky Movies - 11 Channels	Sky Sports - 2 Channels
€5 per month	€16 pm	€24pm	€29pm
		new 5 New Sky Movie Channels	

FMC bundles providing strong proof point for quad play bundles

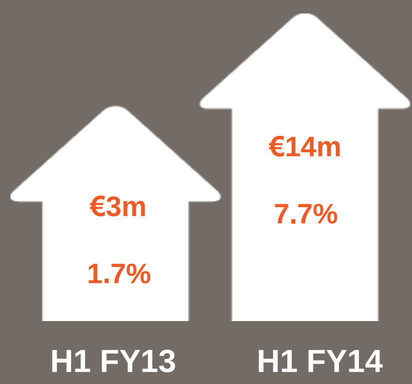
FMC Consumer Bundles Base ‘000



- FMC based has doubled in H1 FY14 to 41,000 subscribers
- Yielding arpu of ~€85 – double arpu of dual play
- Churn less than half of dual play or standalone mobile
- New suite of products driving growth in overall revenue generating units
- On target at the end of Dec ‘13
- **Strong proof point for quad** play bundles

Mobile profitability:
Further EBITDA growth in Q2 FY14 while delivering significant postpay growth

EBITDA



GROWTH/CHURN

- Continued postpay growth – ↑ **87k YoY & 46k in H1 FY 14**
- 37% of base is now postpay customers – ↑ **from 29% YoY**
- Strong performance in **business mobile**
- Balancing commercial investment in postpay against EBITDA growth
- Prepay churn remains challenging - delivering technology to improve prepay performance

NETWORK

IMPROVED COVERAGE

- Deployment of U900 to 74% population, improving our 3G footprint and in-building speeds
- Investment in new sites to enhance coverage in towns and on major routes

IMPROVING CAPABILITY

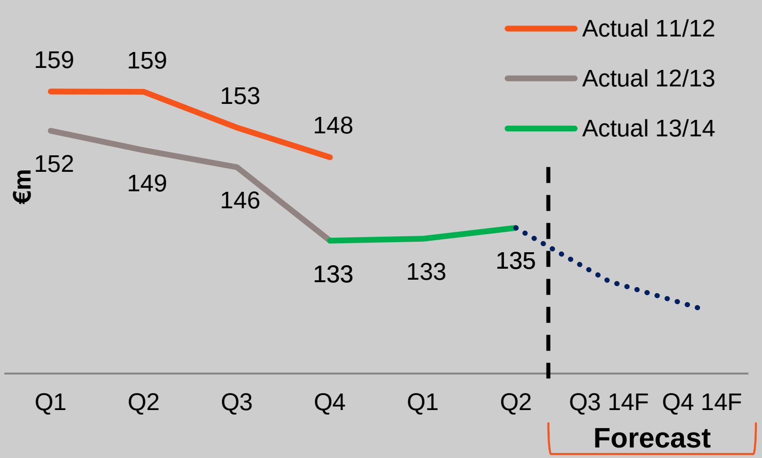
- 4G services launched covering **40%** of the population
- Upgrade to Dual Carrier on 3G 42Mbit/s in Dublin, Cork, Limerick & Galway
  - Over **30%** of sites now upgraded to 42Mbit/s

First Irish operator to launch 4G in Ireland delivering average download speeds of 21Mb/s

- Continued **positive feedback**
- **26%** population coverage **at launch**
- **40%** population coverage at Dec ‘13 - **4 cities** & **28 towns** with more to come
- On track to reach **50%** population coverage by June ‘14
- Over 20,000 active subscribers
- **19 4G devices available**
- 4G users use **twice as much data** as 3G user
- 25% of **postpay base** have 4G handset

Cost transformation: €72m run rate savings achieved

QUARTERLY OPEX[1] FY 14 (€m)



HIGHLIGHTS

- Fixed & Mobile sectors remain highly competitive - cost reduction essential to deliver the plan
- Increase in Q2 opex costs of €2m due to higher repair costs (as a result of storm damage), investments in base management and higher power costs
- Run rate equivalent of **€72m[2]** saving over full year opex of **€618m[1]** in FY11/12
- Significant reductions expected in H2 FY14 to deliver €100m run rate savings

IE SCHEME UPDATE

- Targeted incentivised exit ("IE") scheme launched in Oct '13 to deliver remainder of 2,000 targeted resource reduction
- 1,100 exits (opex and capex) by Dec '14 - 840 FTE exits on 31 Dec '13
- Short term backfill required to meet customer demands and **maintain customer experience**
- Delivers **streamlined & flexible** organisation
- No further IE schemes expected

KEY OBJECTIVES FY 14

- On track to achieve opex reduction of €100m by Q4[3] FY 14 (vs. FY 12)
- Further FTE reductions to secure 2,000 exits
  - Delivered 842 FY13 and 939 H1 FY14
  - Further 260 by Dec '14
- Further reductions in non pay costs expected in H2
- Significant operating site consolidation
- Shared services consolidation
- Drive operational efficiencies

[1] Pay and non pay - *excludes indirect SAC and Phonewatch opex - out of scope*

[2] *Q2 normalised level of opex (excl one-offs) was €136.6m - run rate equivalent of €72m saving vs FY12 opex of €618m[1]*

[3] *Run rate of €100 million by Q4 of FY 14 compared to FY 12*

Agenda

Business highlights

Economic update

Business update

Trading Q2 and YTD FY 13/14

Amend & Extend Summary

Key themes for FY14

Q&A

Trading highlights
Q2 and 6 months to December 31, 2013

- Q2 EBITDA of €114m highlighting continued stabilisation despite seasonal SAC costs
- YTD EBITDA of €233m was in line with expectations and 1% down on the PY
- Continued pressure on fixed Line revenues, in both Consumer and B2B, partially offset by Wholesale growth
- Group access line losses of 1k in quarter, down from 10k in the prior year quarter
- Group broadband based continued to grow and increased by 19k in the quarter driven by both retail and wholesale broadband growth
- Strong growth in mobile postpay – 22k net adds in Q2, 87k net adds YoY - but continuing weakness in prepay churn partially offset by strong gross adds in Q2
- H1 Mobile EBITDA up €11m versus last year, despite increased SAC investment to drive long term sustainable growth
- Strong cost control – €26m saving YoY – Q2 annualised savings €72m
- Continued investment in growth programmes during H1 - €148m incurred capex , up 32% YoY
- Maintaining strong liquidity – closing cash €246m

YoY comparison adjusted to exclude results from Phonewatch in Q2 & H1 FY 13

Group EBITDA – Q2 FY 14

	Q1 FY 14	Q2 FY 14	v Budget Better/(Worse)	v Budget Better/(Worse)	v Prior Year[1] Better/(Worse)	v Prior Year Better/(Worse)
	€m	€m	€m	%	€m	%
Fixed Revenue	249	251	(1)	(0%)	(24)	(9%)
Mobile Revenue	86	94	9	10%	1	1%
Eliminations	(11)	(11)	0	0%	3	(21%)
Group Revenue	**323**	**333**	**8**	**2%**	**(19)**	**(6%)**
Cost of Sales	(64)	(73)	(5)	-7%	9	11%
Gross Profit	**259**	**260**	**3**	1%	(10)	(4%)
% Margin	*80.2%*	*78.1%*				
Pay Costs	(63)	(63)	0	0%	8	12%
Non Pay Costs	(77)	(84)	(5)	(7%)	0	0%
Operating Expenses	(140)	(146)	(5)	(4%)	9	6%
Group EBITDA	**119**	**114**	**(2)**	**(1%)**	**(2)**	**(2%)**
Fixed	111	109	(2)	(2%)	(6)	(5%)
Mobile	9	5	0	4%	4	551%

- Group EBITDA of €114m was €2m below budget and prior year.
- Group revenue €333m was €8m higher than budget (mainly driven by MTR), 3% higher than Q1 FY14 but 6% down on the prior year quarter
  - Fixed revenue down 9% YoY reflecting reduced fixed line access volumes and traffic usage in the period
  - Mobile revenue up 1% due to strong growth in postpay base offset by reduction in prepay base and lower arpu
- Mobile SACs €2m higher than budget due to strong postpay growth
- Group operating costs of €146m were €5m behind budget (€2m SAC, €2m base management and €1m power costs) but 6% lower than in prior year quarter reflecting continued cost transformation
- Fixed EBITDA 5% down on prior year and €2m below budget (due to MTR impact), while mobile EBITDA has grown by €4m compared to the corresponding prior year quarter

[1]The EBITDA results of Phonewatch Limited, which was disposed of in May 2013, are excluded in the results for the quarter ended 31 December 2012. For information purposes only, the Q2 FY 13 results of Phonewatch were revenue of €8 million, operating costs of €4 million and EBITDA of €3 million
[2] 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

Group EBITDA – year to date FY 14

	YTD Dec FY 14	v Budget Better/(Worse)	v Budget Better/(Worse)	v Prior Year[1] Better/(Worse)	v Prior Year Better/(Worse)
	€m	**€m**	**%**	**€m**	**%**
Fixed Revenue	499	(2)	(0%)	(53)	(10%)
Mobile Revenue	180	8	5%	(4)	(2%)
Eliminations	(22)	0	0%	5	(18%)
Group Revenue	**657**	**6**	**1%**	**(51)**	**(7%)**
Cost of Sales	(137)	(4)	(3%)	22	14%
Gross Profit	**520**	**3**	0%	(29)	(5%)
% Margin	*79.1%*				
Pay Costs	(126)	2	1%	16	11%
Non Pay Costs	(160)	(7)	(5%)	10	6%
Operating Expenses	(286)	(6)	(2%)	26	8%
Group EBITDA	**233**	**(3)**	**(1%)**	**(3)**	**(1%)**
Fixed	220	(4)	(2%)	(14)	(6%)
Mobile	14	1	6%	11	347%

[1]The EBITDA results of Phonewatch Limited, which was disposed of in May 2013, are excluded in the results for the half year ended 31 December 2012. For information purposes only, the H1 FY 13 results of Phonewatch were revenue of €15 million, operating costs of €9million and EBITDA of €7million

[2] 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

- Group EBITDA of €233m was €3m behind budget and prior year mainly due to SAC investments
- Group revenue €657m was 1% below budget and 7% down on the prior year but rate of revenue erosion is slowing
  - Fixed revenue down 10% reflecting reduced fixed line access volumes and traffic usage in the period
  - Mobile revenue down 2% reflecting lower MTRs / ARPUs and reduction in prepay base offset by strong growth in postpay base
- Mobile SACs €3m higher than budget due to strong postpay growth
- Group operating costs of €286m were €6m over budget (SAC 3m & base management/ customer care 2m) but were €26m or 8% lower than in prior year quarter reflecting strong performance on cost transformation
- Fixed EBITDA 6% down on prior year (includes MTR impact) while mobile EBITDA has grown strongly

Monthly trading to December 31, 2013

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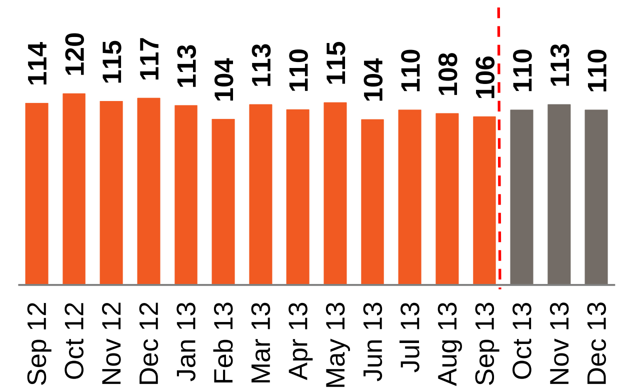
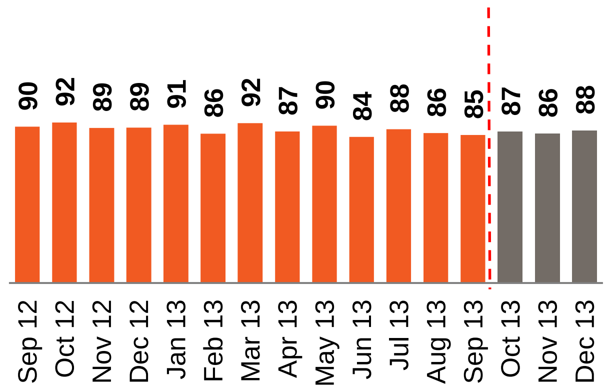
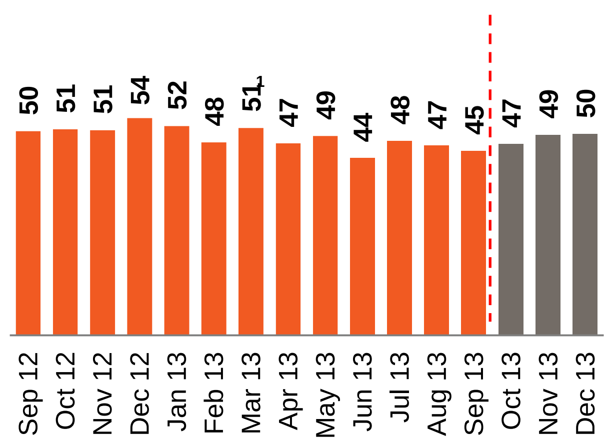
Actual Revenue (€m)



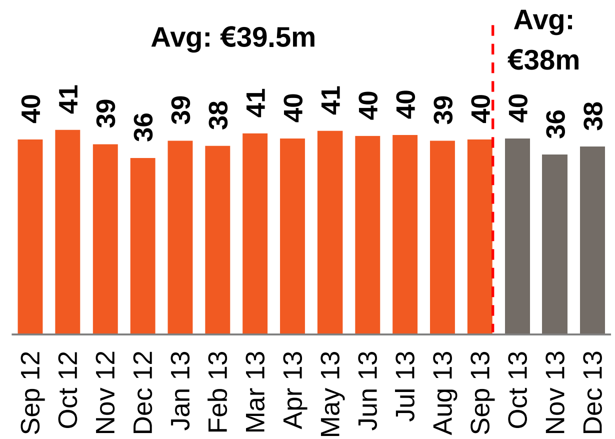
Actual Gross Margin (€m)



Actual Operating Costs (€m)



Actual EBITDA (€m)



- The business has continued to perform in line with management expectations
- Reduction in Nov and Dec EBITDA due to seasonal investments in SAC and lower traffic usage during the Christmas period
- Continued pressure on fixed line revenues and margins in both consumer and B2B segments, partially offset by growth in wholesale
- Continued focus on reducing underlying operating costs during the quarter
- During the quarter, underlying monthly EBITDA remained relatively constant - slight reduction in Nov & Dec driven by seasonality

[1] Includes €2m corporate finance costs
[2] FY 13 data presented above excludes results from Phonewatch up to the date of disposal in May 2013

Fixed line KPIs - retail

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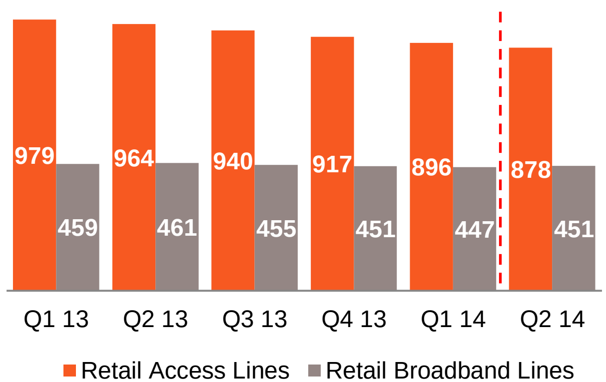
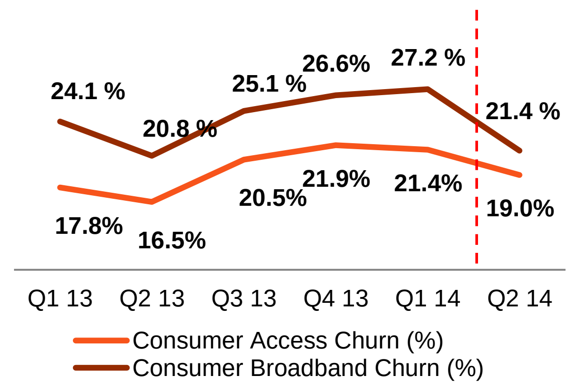
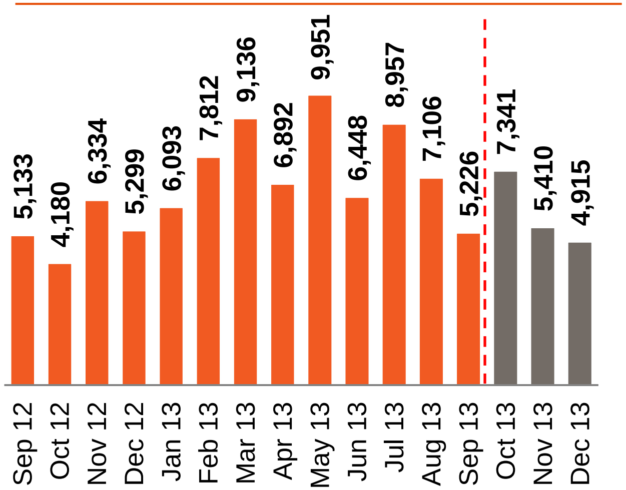
Total Retail Lines (000's)



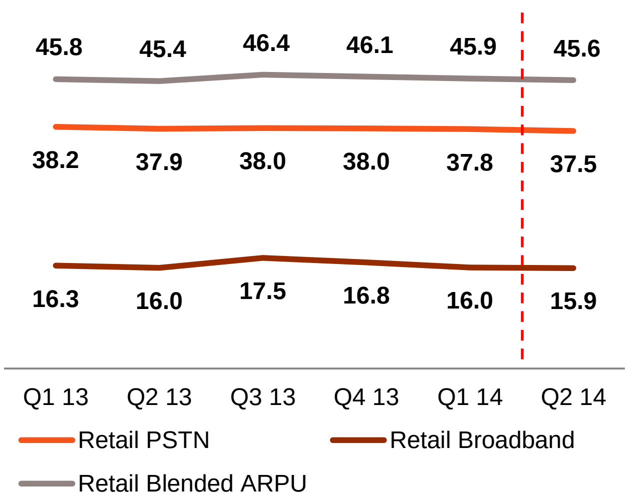
Fixed Line Churn (%)



Retail Access Line Losses



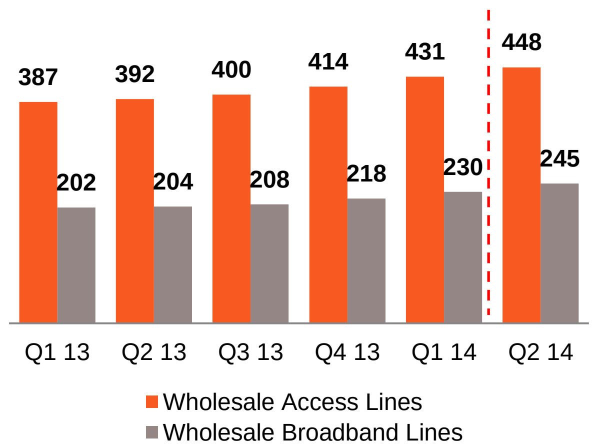
ARPU (€)



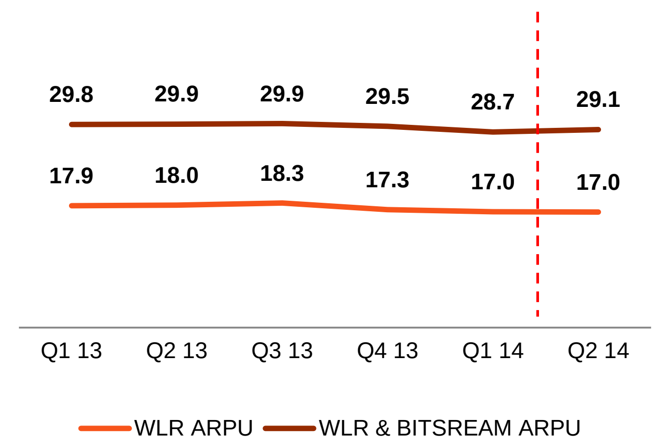
- Average rate of retail fixed line net losses at 6.5k per month in Q1 compared to 7k in Q1 FY14 and 5.2k in Q2 FY13
- Retail broadband lines returned to **growth during** Q2 (+4k) driven by take up of high speed broadband services
- During Q2, eircom was first operator to launch unique quad play bundles including fibre broadband - key enabler of return to retail broadband growth
- ARPU for Q2 was in line with the prior year and the previous quarter, contributing to relative stability in EBITDA performance over the last 5 quarters
- Good progress but competitive environment within consumer and B2B remains intense and recent announcement of full removal of DSP subsidy from 1 Jan 2014 will maintain pressure on churn

Fixed line KPIs - wholesale

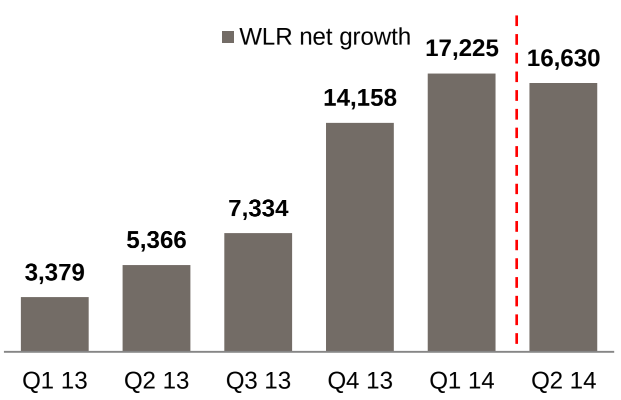
Wholesale Lines (000's)



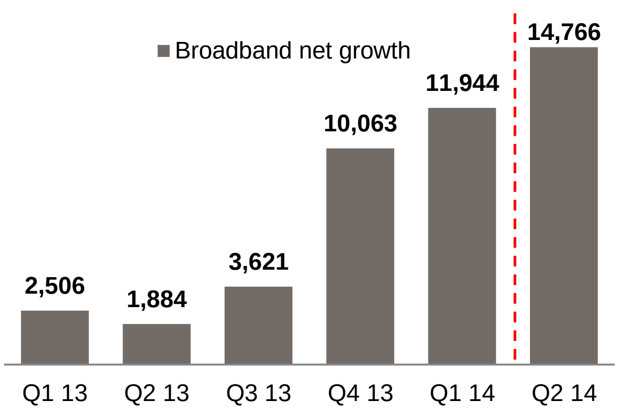
ARPU[1] (€)



Wholesale Access Line Growth



Wholesale Broadband Growth



- Strong growth in wholesale has partially offset declines in Retail
- Wholesale access lines grew by 16.6k or 4% in the quarter and by 56k or 14% compared to last year
- Wholesale Bitstream (Broadband) grew by 14.8k or 6.5% in the quarter which combined with retail growth drove overall Group broadband growth of 19k lines or 31k YoY
- Wholesale growth equals approximately 86% of Retail losses YTD – historical rate was 23%
- Retail and Wholesale combined share of the fixed broadband market was ~65% at Sept 30, 2013
- Wholesale business critical to ensuring that eircom network retains scale and is the national network of choice for operators in the market

[1]*Wholesale ARPU has been restated to include the impact of the WLR price reduction in Large Exchange Areas (LEA) which are fibre enabled*

Mobile KPIs

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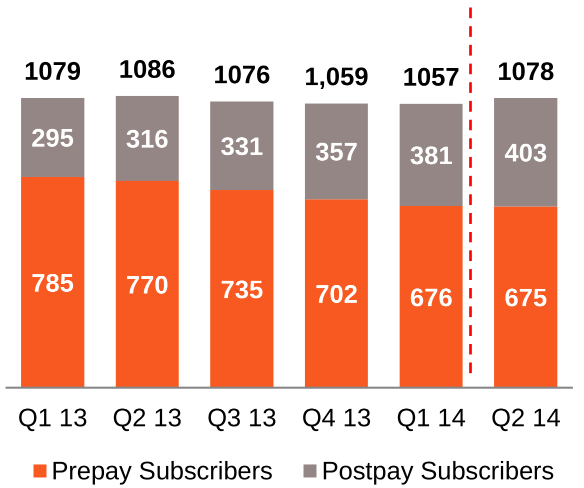
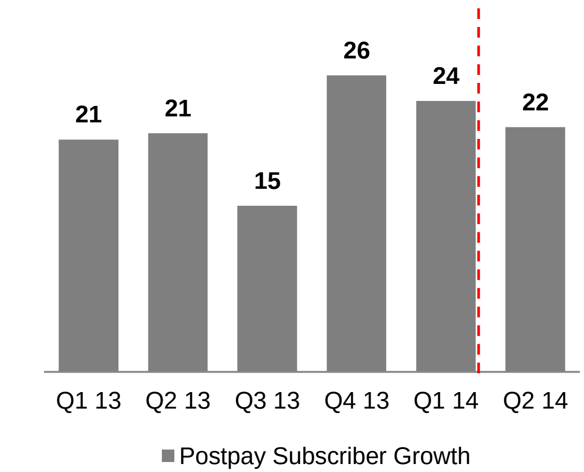
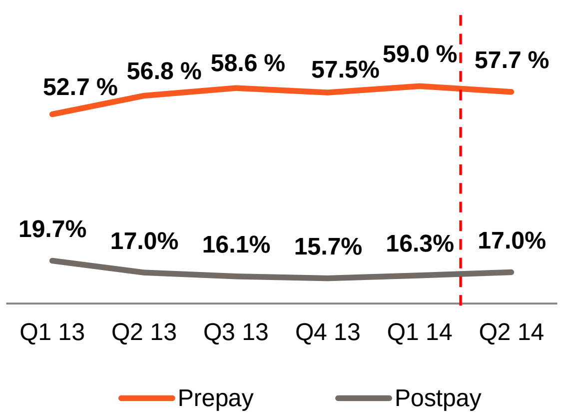
Total Handsets (000's)



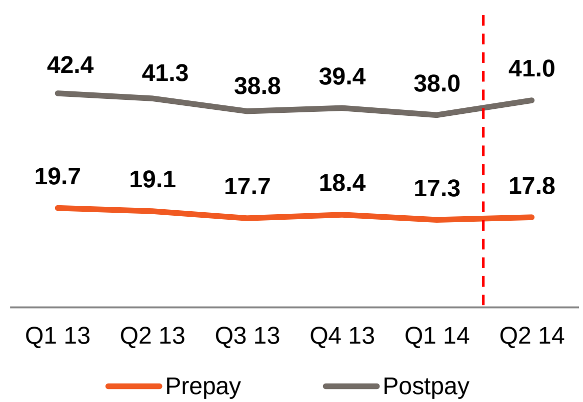
Postpaid Growth (000's)



Mobile Churn (%)



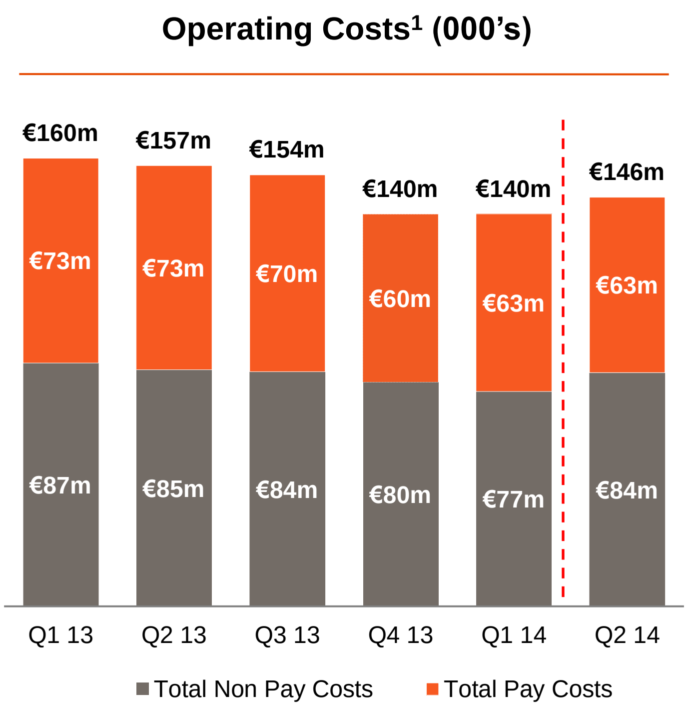
Prepaid & Postpaid ARPU[1] (€)

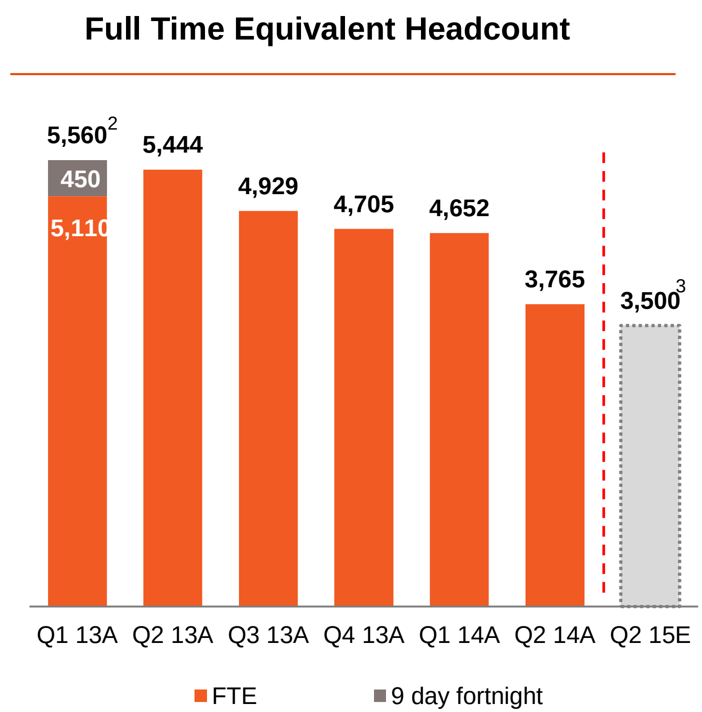


- Strong rate of postpaid growth maintained with net adds of 22k in the quarter
- At end Dec 13, total postpaid subscribers were 403k, an increase of **87k** YoY
- Pre and Postpay ARPU increases driven by YTD adjustment attributable to the reverse of the MTR reduction implemented on 1 July 2013
- Postpay churn was flat in Q2 FY compared to Q2 FY13 but slight increase compare to Q1 FY14
- Prepay handset subscribers broadly flat during the quarter. Strong Christmas performance was offset by pre to post migrations (8k in the quarter) and high levels of customer churn
- **37%** eircom subscribers on postpaid contracts - up from 29% as at Dec 2012 and 34% as at June 13

[1] *Includes Mobile Broadband and M2M*

Operating cost breakdown

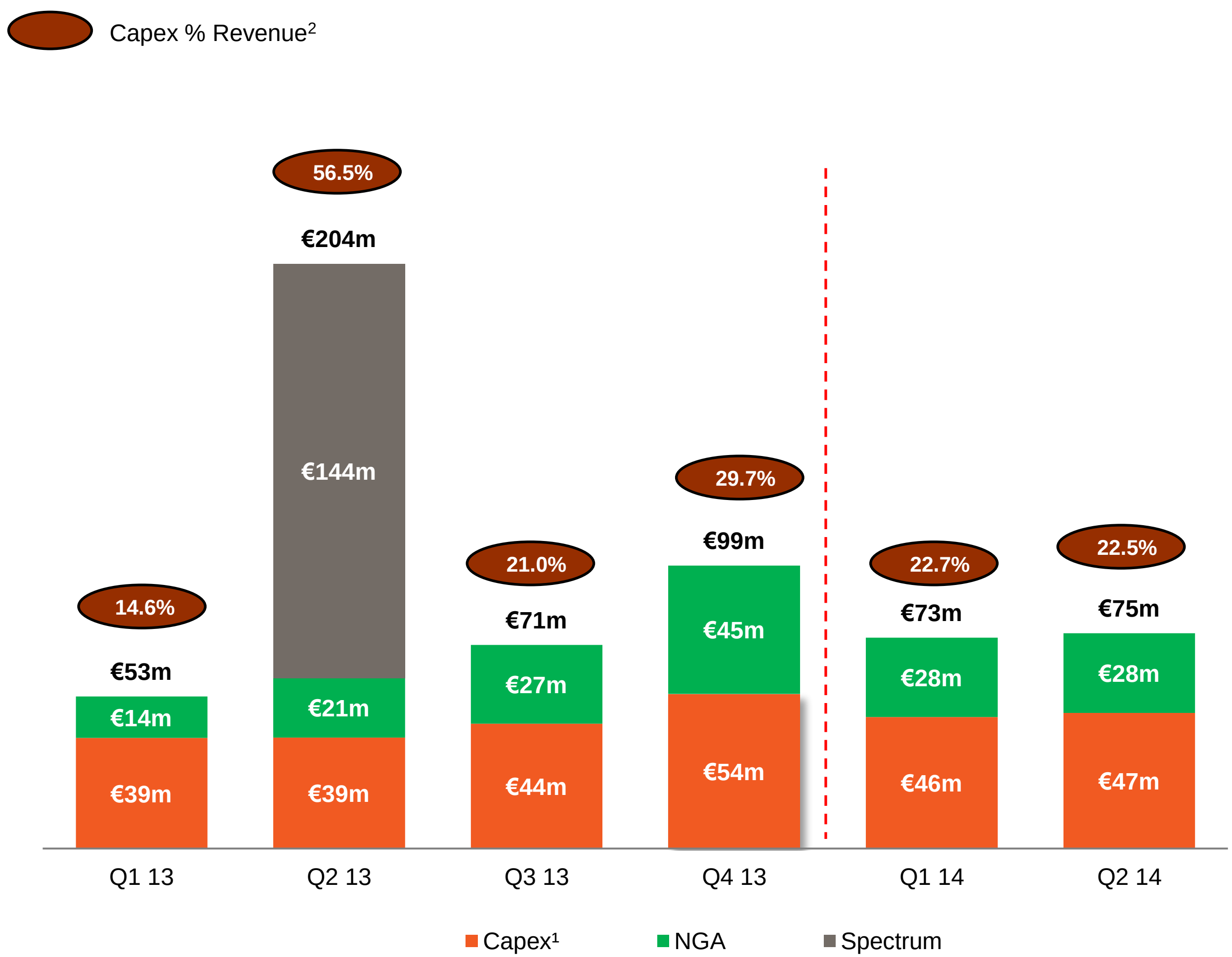




- Operating costs up €6m on Q1 FY 14 (mainly due to increases in indirect SAC in period) but €11m lower than prior year quarter (€8.5m including Phonewatch)
- Pay Costs €10m lower year on year driven by substantial headcount reductions
- FTE of 3,765 at end of Dec 13 compared with 5,444 at Dec '12
- Of the 1,679 FTE reduction, c840 FTE left the business on 31 Dec 2013 - will deliver planned savings in H2
- Current VL scheme will deliver further 260FTE headcount reduction by Dec '14 – deliver targeted right sized organisation of c.3,500 FTE
- Gives more certainty to delivery of savings, in both pay and capex costs, already included in the plan

[1] Opex includes indirect SAC but excludes non-cash pension charge, non-cash lease fair value credits, amortisation, depreciation, and exceptional items FY 13 includes operating costs in relation to Phonewatch up to the date of disposal in May 2013
[2] For indicative purposes includes impact of reversal of 9-day fortnight working arrangement in Oct 12 – 450 FTE
[3] Approximate targeted FTE by Dec '14

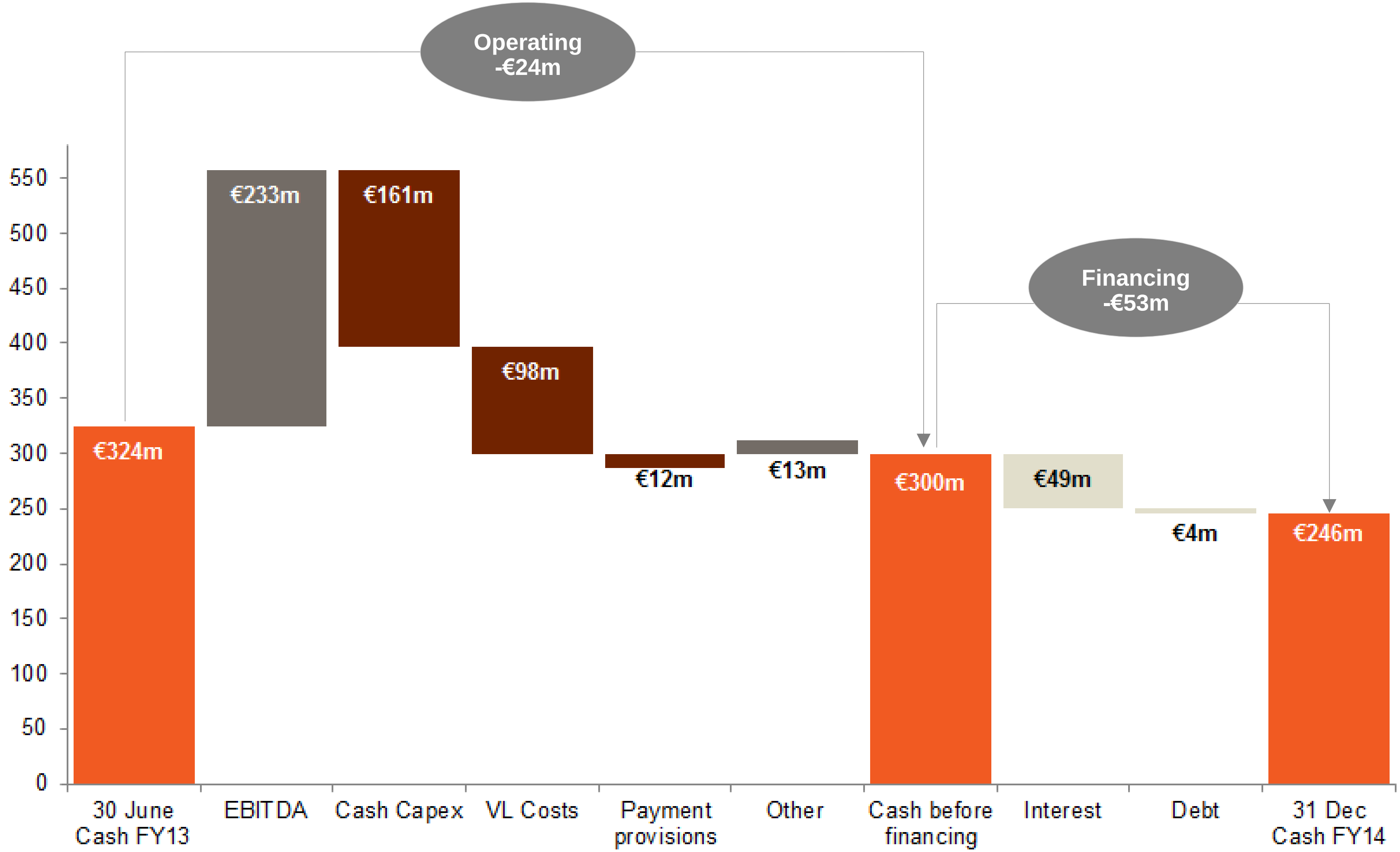
Capex breakdown



- Incurred capex of €75m in Q2 FY14 compared to €60m in same quarter last year (excl. spectrum investment of €144m)
- Continued focus on growth programmes in Q2
  - €28m spend on rollout of NGA fibre network
  - €47m spend on network and BAU capex and spend on other key programmes including IPTV, 4G and next generation billing system
- FY13 and FY14 are peak years of capex investment, with NGA rollout and 4G largely complete by FY15

[1] *Incurred capex*
[2] *Includes spectrum investments in Q2 FY 13*

eircom maintains strong cash balance of €246m at end of Dec ‘13



[1] Other operating cashflow includes WC €8.3m , property rebate €3.2m and restricted cash €1.2m,

Pension update

- **Minimum Funding Standard (wind up basis)**
  - Main Fund satisfied MFS at 30 September 2013
  - No Funding Proposal required, no cash call

- **Triennial Funding Valuation - effective date 30 Sept 2013**
  - Actuarial report indicates surplus c€135m
  - No increase required in the company's pension contributions

- **IAS 19 Deficit**
  - Deficit of €699m at the end of quarter 2 FY14 due to prescribed discount rate used for liabilities (AA- Corporate Bond Yield 3.75%) – down from €844m at the end of quarter 1 FY 14 due to increase in bond yields from 3.55% to 3.75% and an increase in the return on scheme assets
  - No Debt on the Employer, no funding proposal, no cash call

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- Business highlights
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- Key themes for FY14
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Amend and extend overview

Background:

- In addition to driving significant operational improvements in the business, the board of eircom has considered the Group's capital structure
- Following this review, the Group has decided to launch an Amend & Extend ("A&E") initiative, to extend the maturity of the existing senior term loan facilities by two years
- BNP Paribas and Goldman Sachs are appointed as joint co-ordinators for the transaction

Rationale:

- An A&E highlights eircom's commitment to proactively seek ways to improve its debt maturity profile whilst also maintaining a healthy interest coverage;
    - provides c. 6 years before any debt repayment is due at economics that make sense for the company
    - pushes out the requirement to refinance until a time when the Company's leverage will have reduced and therefore the cost of refinancing should be lower
- The Company would also like to take this opportunity to make certain changes to the SFA which would give management the operational flexibility required to deliver the turnaround plan
- The Company believes that the extension of the debt maturity as well as the increased operational flexibility resulting from a successful A&E will be value accretive for investors

Amend and extend overview (cont'd)

- As part of eircom's strategy to operate in close cooperation with its stakeholders, we are seeking a 2 year extension to our existing term loan facility and are requesting a number of amendments to (i) implement the extension and (ii) increase the operational flexibility for management to optimise business performance
- The deadline for final votes on the A&E and other amendment requests is February 28 2014
- Since our last presentation to lenders, in which we discussed the performance through to 30 September 2013, the business has continued to perform broadly in line with management's expectations delivering revenue and EBITDA of €333m and €114m respectively in the quarter to 31 December 2013 and €657m and €233m, respectively for six months to 31 December 2013
- On a pro forma basis the extended term loan ("Term Loan B2") will pay a cash margin of E+425bps and will mature in September 2019. Those lenders choosing not to participate will remain in the existing term loan B ("Term Loan B1") on current terms

Pro Forma Capital Structure as at 31 Dec 2013 (unaudited)

€m	Amt	x Cum. EBITDA	Existing Margin/ Coupon	*Adj.*	Pro forma Margin / Coupon	Existing Maturity	*Adj.*	Pro forma Maturity
Cash	(246)	(0.5)x						
Existing TLB	2,015	3.7x	E + 300bps cash pay/ 1.00% PIK	*+1.25% cash / (1.00%) PIK*	E+425bps cash pay	2017	*+ 2 years*	Sept-2019
Existing Tetra Debt	23	3.8x						
Senior Secured Notes	350	4.5x	9.25%			2020		
Net Total Debt	**2,142**	**4.5x**						
LTM Dec 2013 EBITDA	477							

Amend and extend overview

- The below table outlines a number of the key amendment requests. Note: certain other operational amendments are included in the Consent Letter.

Term / SFA reference	Requested Amendment	Consent Level
Facility Tranche B2 Termination Date	September 2019 - for extending lenders in the new tranche of the senior loans	100%
Facility Tranche B Margin	All cash margin for extenders of 425bps	100%
Flotation Mandatory Prepayments	Receipt of cash proceeds from a Flotation by the Group would result in full cancellation and prepayment of all outstanding amounts under the SFA. It is proposed that in a Flotation, only cash proceeds be applied in mandatory prepayment (application between Tranches B1 and B2 to be determined by the Company at its discretion).	100%
Stapling Period	Currently ends in June 2014. Consent requested for immediate de-stapling	100%
Change of Control	Portability of the Term Loan Facilities in a Change of Control scenario within 24 months from the consent date. Portability will be subject to a minimum implied or cash equity consideration of 20%, no re-leveraging as a result of the CoC, with the buyer being a Lender or private equity fund with at least $1bn assets under management, which holds >30% of equity post Change of Control	100%
Excess Cashflow	Introduce a de minimis threshold of €5m for the excess cash flow calculation and suspend of the mandatory prepayment if Total Leverage ≤3.00x	100%
Debt Purchase Transactions	Provide the Company with the flexibility to make debt purchases at levels below par via a tender process (outlined in full in the Facilities Agreement) from monies not required by the Facilities Agreement to otherwise applied at any point in time	66 2/3%
Definition of "Permitted Distributions"	The Facilities Agreement currently restricts the Group's ability to make distributions. It is proposed to align the restrictions with the Indenture governing the senior secured notes with certain changes, whereby distributions would only be possible following a Flotation[1]	66 2/3%
Financial Covenants	Covenant levels proposed for extended period 2017 – 2019: Interest cover and cash cover covenant to remain flat and total leverage covenant to step down between 2017 and 2019. Capex covenant to be simplified and amended to allow for participation in the National Broadband Plan and suspension of capex covenant following a Flotation if Total Leverage ≤ 3.0x.	66 2/3%
Definition of "Permitted Joint Ventures" and "Permitted Acquisitions"	• Annual permitted joint venture funding to increase from €5m to €20m • Add a separate basket of €20m so as to facilitate further investments in network sharing Joint Ventures with other mobile phone network operators • Increase annual basket for Permitted Acquisitions from €30m to €50m if purchase price ≤€50m • Include leverage based test for acquisitions >€50m (with synergies counting for up to 10% of such calculations)	66 2/3%

[1] The Senior Secured Notes allow dividend payments in any fiscal year of the greater of (a) 6% of net cash proceeds received in an IPO and (b) following the IPO the greater of (i) 7% (5%) of market capitalization and (ii) 7% (5%) of IPO Market Capitalization if Total leverage ≤2.5x (3.0x). The relevant Total Leverage ratio in the SFA amendment request will be 3.0x (3.5x), and no cap to dividend if Total Leverage is ≤2.5x

Summary term sheet: new tranche B2

Indicative Term	Term Loan
Facility	Tranche B2
Borrower	eircom Finco S.à.r.l.
Amount	Target >90%
Ranking	Senior Secured
Security	Same as existing Facility B
Currency	€
Maturity	September 2019
Pricing	E + 425bps
Fee	Consent for (i) 100% consent items 10bps (ii) 66 2/3% consent items 5bps. Extension 35bps
Guarantees	Same as existing Facility B
Mandatory Prepayments	• IPO and new bond debt proceeds to be applied against Tranche B1 and Tranche B2 at the Company's discretion • Excess cash sweep, disposal proceeds, acquisition proceeds and insurance proceeds to be applied pro rata between Tranche B1 and Tranche B2
Financial Covenants	• Combined Ordinary Course and NGA Capex covenant and include a schedule in the event of eircom winning the NBP contract • Appropriate covenants to be set for periods ending 30 September 2017 to 30 June 2019 using same headroom levels as existing financial covenants
Majority Lenders	Same as existing Facility B
Governing Law	Same as existing Facility B

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Delivery of FY14 imperatives underway

FIXED LINE RETENTION

FIBRE

- Fibre
  - *125,000 customers Jun '14*
  - *1,000,000 premises summer '14*
- 24,000 TV customers Jun '14
- Triple & quad pay bundling Oct'13

MOBILE PROFITABILITY

4G

- Network improvement: 3G & 4G
- Postpay momentum, utilising 4G advantage
- New propositions to reduce prepay churn

COST TRANSFORMATION

- Secured headcount reductions – 2,000
- Non pay savings
- Drive operational efficiencies
- Deliver €100m savings by Q4

REDUCE

GROWTH

- Wholesale
- Mobile for business
- Cloud & ICT
- Datacentre

CLOUD

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Q&A

Thank you