

# FOURTH QUARTER AND FULL YEAR RESULTS ANNOUNCEMENT TO 30 JUNE 2016

## Full Year Financial Update



First year of annual growth in 8 years



Revenue of €1,310m, up 4% or €45m year on year



EBITDA (before storm costs) of €505m, up €24m or 5% year on year



Operating costs<sup>1</sup> broadly flat year on year



Positive cashflow generation<sup>2</sup>

## Fourth Quarter Financial Update



Revenue of €336m, up €11m or 4% year on year growth



EBITDA of €143m, up €8m or 6% year on year



Operating costs reduced €4m or 3% compared with prior year

## Corporate update

GIC invest as a new long-term shareholder

Successful bond refinancing resulting in €17m of interest savings

Amendment of senior debt facilities complete

## Business update



Successful launch of eir sport



1,600,000 premises passed with fibre technology

<sup>1</sup> Operating costs are pay and non-pay costs excluding non-cash pension charge, non-cash lease fair value credits, amortisation, depreciation, and exceptional items

<sup>2</sup> Before financing and M&A activity



28% take up of high speed broadband - 50% of broadband base on fibre

Qualified as bidder for the National Broadband Plan

**(Issued Friday 2 September 2016)** eir today announced results for the fourth quarter and twelve months ended 30 June 2016. Commenting on today's announcement, Richard Moat, CEO eir, said: "This has been another landmark year for eir. We've grown full year revenue by 4% or €45 million, the first annual growth in eight years, and EBITDA for the full year increased by 5% to €505 million.

"We have passed 1.6 million premises with fibre at the end of June 2016 and our rollout of high speed broadband to 300,000 premises in rural Ireland is proceeding at pace. We have accelerated our 4G rollout programme and have now reached 84% population coverage which will grow to 95% coverage by early 2017. We are and will remain fully committed to Ireland's digital future and we are doing more than any other operator in terms of both fixed and mobile network investment.

"The transformation of our organisation in the past twelve months is clearly evident. We introduced our new invigorated brand 'eir' in September last year, and the recent launch of eir sport positions us as a new name in Irish broadcasting. We offer an exciting range of live sport and have also secured the rights to the 2019 Rugby World Cup.

"We have a great platform for our new financial year and we are looking forward to the future with confidence."

 Trading Update Strong broadband growth


854,000 broadband connections, up 18,000 in the quarter

50% of broadband connections are high speed broadband

 TV growth

eir Vision base at 54,000 customers

27% take up by consumer fibre base

 Mobile stable with improving mix of customers

1,060,000 total mobile customers

Improving customer mix; 47% now on postpay contracts, up 3p.p.  
year on year

Data usage increased by 52% YoY

 Household Revenue Generating Units (RGUs) growing

Triple and quad-play bundle penetration increased to 21%

2.06 RGUs per household

Huib Costermans, CFO eir, said: “We have delivered a very strong set of financial results for the full year and have delivered on our financial guidance. We have also secured a much improved and flexible capital structure and reduced our cost of debt from 5.2% to 4.5%. This was achieved through our successful bond refinancing which resulted in €17 million of interest cost savings, amending our senior debt facility document to align it to market standards and raising a revolving credit facility which allows us to make better use of our cash on balance sheet, while supporting the entry of a new long-term shareholder, GIC. We also welcomed the credit ratings upgrades achieved earlier in the year. I am very pleased with our progress which reflects the improvement of our financial performance and we are well positioned for the new financial year.”

Revenue in the quarter of €336 million increased by 4% or €11 million compared to the corresponding prior year period. Full year revenue of €1,310 million also increased by 4% or €45 million compared to the prior year. Operating costs for the



quarter ended 30 June 2016 were €119 million, a reduction of 3% compared with the prior year period.

Full year operating costs (excluding storm costs) of €511 million were broadly flat compared to the prior year. EBITDA (excluding storm costs) for the quarter and full year was €143 million and €505 million respectively, an increase of 6% and 5% compared to the corresponding prior year periods. EBITDA (net of storm costs) for the year ended 30 June 2016 was €500 million, an increase of 4% compared to the prior year.

In the fixed line segment revenue (before intra company eliminations) for the quarter and full year ended 30 June 2016, was €261 million and €995 million respectively, both increasing by 4% compared to the corresponding prior year periods. Fixed line EBITDA of €117 million for the quarter ended 30 June 2016 increased by 4% compared to the corresponding prior year period. Fixed line EBITDA for the year ended 30 June 2016 of €435 million (before storm costs) increased by 3% compared to the prior year. Fixed line EBITDA (net of storm costs) was €430 million for the year ended 30 June 2016, representing an increase of 2% compared to the prior year.

The total group broadband customer base was 854,000 at 30 June 2016, growing by 18,000 quarter on quarter and 72,000 compared to the prior year period. Wholesale broadband connections grew by 17,000 during the quarter and 78,000 compared to the prior year, bringing the total wholesale broadband lines to 405,000 lines at the end of June 2016. The retail broadband base increased by 1,000 in the quarter bringing the retail broadband base to 449,000 at the end of June 2016.

A total of 429,000 customers were using our fibre based high speed broadband service at the end of the quarter, representing growth of 35,000 customers during the quarter and 148,000 since June 2015. Over 50% of our broadband customers are connected to our fibre network which represents a 28% penetration of fibre premises passed. Fixed line net access losses for the quarter and twelve months ended 30 June 2016 were 5,000 and 36,000 respectively, a significant improvement when compared to losses of 21,000 and 64,000 for the quarter and twelve months ended 30 June 2015.

In the mobile segment, EBITDA for the quarter of €26 million increased by €8 million compared to the previous quarter, and €4 million compared to the prior year quarter. Mobile EBITDA for the year ended 30 June 2016 was €70 million which was an increase of €12 million or 21% compared to prior year. Mobile revenue (before intra company eliminations) was €86 million for the quarter, in line with the prior year period, and EBITDA margin was 30%. For the year ended 30 June 2016 mobile



revenue (before intra company eliminations) was €358 million which was an increase of 2% compared to the year ended 30 June 2015. The mobile EBITDA margin was 20% for the full year ended 30 June 2016 and increased by 3 percentage points compared to the prior year.

The Group mobile base stands at 1,060,000 at the end of June 2016. The prepaid customer base decreased by 46,000 during the twelve months to 30 June 2016. However, the higher value postpay customer base has increased by 23,000 since 30 June 2015. Postpay customers now account for 47% of the overall base, up from 44% a year ago.

In summary, the Group has delivered another solid operational and financial performance. The results achieved are in line with expectations and the guidance issued at the beginning of the financial year.

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For more information on today's announcement, please visit our Investor Relations site:  
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