

EIR FOURTH QUARTER AND FULL YEAR TO 30 JUNE 2017 RESULTS ANNOUNCEMENT

Full Year Financial Performance



Underlying revenue¹ of €1,320 million, up €10m or 1% year on year



EBITDA of €520m, up €20m or 4% year on year²



Operating costs³ reduced by €26m or 5% year on year



€67 million in cash flow generation⁴

Business update



Meteor rebranded to eir to support convergence strategy

96% 4G mobile coverage

Recently acquired 3.6GHz spectrum delivering incremental capacity plus capability for 5G



1,700,000 premises passed with fibre technology

- 80,000 of the 300,000 rural FTTH premises passed
- Strong momentum in FTTH connections - 12,000 connections, 72% of customers new to eir



551,000 fibre broadband connections, 61% of total broadband base

25% of customers now on triple or quad play bundles

¹ Underlying Revenue is before Mobile Termination Rate (MTR) and Foreign Exchange (FX) impacts

² EBITDA increased by €15m or 3% when excluding storm costs of the prior year

³ Operating costs are pay and non-pay costs excluding non-cash pension charge, non-cash lease fair value credits, amortisation, depreciation, and exceptional items

⁴ Cashflow generated before debt repayments and financing fees

(Issued Wednesday, 13 September 2017) eir today announced results for the full year and fourth quarter ended 30 June 2017. Commenting on today's announcement, Richard Moat, CEO eir, said: "This has been another year of continued progress for eir with growth in underlying revenue of 1%, EBITDA growth of 4% and growth across a number of our key operational metrics.

We continue to focus on our convergence strategy to provide seamless connectivity to customers across all devices, and we are doing more than any other operator to connect the people of Ireland, having spent over €1.6 billion on our fixed and mobile infrastructure in the last five years. We have passed 1.7 million premises with fibre, and are on track to pass 300,000 rural premises with fibre to the home by December 2018. Substantial progress towards this goal has already been achieved with close to one third of the programme already completed.

In relation to mobile, we now offer 4G mobile coverage to 96% of the population and we have introduced a number of product innovations during the year. We were the first operator in Ireland to launch WiFi calling, boosting indoor mobile coverage for our customers and improving customer experience. Last week we rebranded our standalone mobile business from meteor to eir, which better supports our convergence strategy. We now offer all mobile customers a fantastic range of exciting services including free eir sport to our high end mobile postpay customers.

Speaking of eir sport, we have just announced an exciting line up of live content for the new season including live Champions League games and exclusive Europa and Premier League coverage as well as European Champions Cup and the GAA football and hurling All Ireland Club Championships.

We will continue to evolve our products and services to address our customers' changing needs, and we continue to focus on improving our digital platforms to enhance the experience of our customers, all under a single brand.

Our continued product innovation and sustained network investment has ensured that we retain our position as the leading broadband, telecommunications and media company in Ireland, delivering enhanced services and competition in the marketplace. I am very pleased with what we have achieved over the past 12 months and I am very excited about what the future holds for eir and our customers".



Trading Update



Solid broadband growth

896,000 broadband connections, up 42,000 or 5% year on year



Momentum in TV/eir sport continues

eir Vision base at 71,000 customers, up 17,000 year on year

31% TV take up by consumer fibre base

More than 220,000 eir sport users across all platforms



More mobile customers opting for bundles

1,061,000 total mobile customers

48.5% of customers are on postpay contracts, up 1.5 p.p. year on year

21% of households include mobile in a bundle, up 3 p.p. year on year



Household Revenue Generating Units (RGUs) growing

2.19 RGUs per household, up from 2.06 RGUs in the previous year

Huib Costermans, CFO eir, said: “We have produced another year of strong financial and operational results. The continued growth of our broadband, eir vision and eir sport customers coupled with the increased penetration of triple and quad play bundles, now at 25%, is evidence of the value that customers see in the products and services we provide.

Taken together, these drivers have delivered underlying revenue growth of 1%. After the impact of reduced Mobile Termination Rates (“MTR”) and Foreign Exchange (“FX”) movements, reported revenue for the full financial year declined by 1%. However, MTR and FX impacts are broadly neutral at a Group level. We continue our focus to become more efficient and delivered significant operating cost reductions of €26 million in the financial year. Taken together, the Group achieved EBITDA growth of 4% in the financial year.

A full refinancing of our senior loan facility coupled with debt repayments during the year realised €23 million of annualised interest savings. We made sustained progress in improving the operational flexibility of our capital structure and reducing our cost of debt, which is reflected by the upgrades from all three ratings agencies during the year. We also generated approximately €67 million in cashflow during the year, before refinancing costs, double that of the previous year. The combination of revenue stability, cost control and cashflow generation has resulted in delivery of our financial guidance.”

Underlying revenue for the quarter, excluding MTR and FX movements of €329 million, decreased by €7 million or 2% year on year. Reported revenue for the quarter of €323 million decreased by 4% compared to the corresponding prior year quarter.

Full year underlying revenue of €1,320 million rose by 1% or €10 million excluding the impact of MTR and FX which are broadly EBITDA neutral at a Group level. Reported revenue was €1.3 billion, a decrease of 1% compared to the prior year period.

Operating costs for the fourth quarter ended 30 June 2017 were €111 million, a reduction of 6% compared with the same quarter last year. Operating costs for the year were €490 million representing a reduction of 5% or €26 million compared to the prior year. Excluding exceptional storm costs in the prior year, operating costs were down 4%.

EBITDA for the quarter was €146 million and €520 million for the financial year. This represents a year on year increase of 1% and 4% on a quarterly and full year basis respectively. Adjusting for €5 million of storm costs in the third quarter of the prior year, EBITDA increased 3% compared to the prior financial year.

In the fixed line segment, reported revenue (before intra company eliminations) for the quarter ended 30 June 2017 was €248 million, a 5% decrease when compared to the corresponding prior year period. Full year fixed line revenue of €993 million was broadly flat compared to the prior year. Fixed line EBITDA for the quarter and twelve months to 30 June 2017 of €123 million and €452 million increased by €5 million and €22 million respectively.

The total group broadband customer base was 896,000 at 30 June 2017, growing by 6,000 in the quarter and 42,000 compared to the prior year. Wholesale broadband connections increased by 6,000 during the quarter and 47,000 for the year ended 30 June 2017, bringing the total wholesale broadband lines to 452,000 lines at the end of June 2017. The retail broadband base remained broadly flat in the quarter at a total of 444,000 customers declining by 5,000 compared to the prior year.

551,000 customers were using our fibre based high-speed broadband service at the end of June, representing an increase of 21,000 customers during the quarter and 122,000 since 30 June 2016. 61% of our broadband customers are connected to our fibre network, which represents a 33% penetration of fibre premises passed. Fixed line net access losses were 44,000 for the year ended 30 June 2017.

In the mobile segment, reported mobile revenue for the quarter (before intra company eliminations) was €84 million, a decrease of €2 million when compared to the prior year. Adjusting for the impact of MTR regulatory price changes, underlying mobile revenue in the quarter of €89 million increased by €3 million or 3% compared to the corresponding prior year period. Reported mobile revenue for the year ended 30 June 2017 of €341 million decreased €17 million or 5% compared to the prior year period. Adjusting for the impact of MTR regulatory price changes, underlying mobile revenue of €359 million for the year ended 30 June 2017 was broadly flat compared to the prior year period.

Mobile EBITDA for the quarter of €23 million decreased by 9% when compared to the prior year quarter. Mobile EBITDA for the year ended 30 June 2017 was €68 million, which decreased by 3% compared to the prior year. The mobile EBITDA margin for the year was in line with expectations at 20%.

The Group mobile customer base increased by 1,000 compared to the corresponding prior year, to a total of 1,061,000 customers. Our mobile base now includes 48.5% postpay customers, up 1.5 p.p year on year.

In summary, the Group has delivered another solid operational and financial performance for the full year to 30 June 2017. The results achieved are in line with expectations and the guidance issued at the beginning of the financial year.

ENDS

For media queries, please contact:

Paul Bradley

eir

Director of Corporate Affairs

Tel: +353 1 600 4281

Mobile: +353 85 174 4281

Paul.bradley@eir.ie

Chris Barrie

Citigate Dewe Rogerson

Executive Director

Tel: +44 20 7638 9571

Mob: +44 7968 727 289

Chris.barrie@citigatedr.co.uk

For investor relations queries, please contact:

Michelle Bennett

eir

Director of Investor Relations

Mob: 085 174 5699

Michelle.Bennett@eir.ie

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

<https://www.eir.ie/investorrelations/>

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