



## FIRST QUARTER RESULTS ANNOUNCEMENT TO 30 SEPTEMBER 2015

### Financial Update



Revenue of €325m, representing 4% year on year growth  
Second consecutive quarter of revenue growth



EBITDA<sup>1</sup> of €120m, up 6% year on year  
Third consecutive quarter of EBITDA growth



Operating costs in line with prior year

### Business update



Successfully launched new brand



Launched Ireland's fastest broadband



eir Vision Go available on multiple devices



1,300,000 premises passed (up to 100Mb/s)  
28,000 premises passed (up to 1000Mb/s)



Mobile base grew 7,000 in the quarter to 1,090,000

(Issued Wednesday 25 November, 2015) eir today announced results for the first quarter ended 30 September 2015. Commenting on today's announcement, Richard Moat, CEO eir, said: "We have recorded a strong first quarter built upon the progress of our recent results, delivering a second consecutive quarter of revenue growth coupled with our third consecutive quarter of EBITDA growth. This solid

<sup>1</sup> EBITDA is earnings before interest, taxation, amortisation, depreciation, non-cash lease fair value credits, non-cash pension charges and exceptional items



financial performance, together with our recent brand launch, provides real momentum as we continue our transformation in an increasingly competitive market.

“Our investment continues as we build a best in class fixed and mobile network for Ireland. We already deliver high speed broadband to 1.3 million homes and businesses across the country and we continue to enable additional communities as we progress towards our target of reaching 1.9 premises. Take up of fibre broadband continues at pace as we recorded our strongest quarter to date. This has underpinned growth in the total number of broadband customers on our network.

“During the quarter we launched Ireland’s fastest broadband offering speeds of up to 1 gigabit per second (1,000Mb/s) using fibre to the home (FTTH) technology. Beyond that, it is our intention to fully participate in the National Broadband Plan as we share the Government’s vision that everyone in Ireland should have access to high speed broadband.

“The introduction of HD voice services providing improved call clarity on our mobile network, and the launch of our eir Vision Go service that allows customers to watch up to 50 channels on smart devices, demonstrate our focus on product innovation. Our commitment to customer care has been underlined as we became the first operator in Ireland to introduce 24/7 broadband and TV support, and we have made further progress simplifying our processes and operations to control our cost base.

“EBITDA for the quarter was €120 million, an increase of 6%, driven by improving revenue performance of €325 million, up 4% year on year. The EBITDA growth has been underpinned by continued strong performance in mobile and an improving number of postpay customers.”



## Trading Update

Consistent growth across key products



### Broadband

798,000 total broadband connections, up 16,000 in the quarter  
41% of network broadband connections are high speed broadband  
Strongest quarter of fibre connections to date – 45,000



### TV

eir Vision base at 43,000 customers  
24% take up by consumer fibre base



### Mobile

Postpay mobile base increased 11,000 in the quarter  
317,000 4G customers  
45% of mobile base now postpay customers



### Household Revenue Generating Units (RGUs)

Triple and quad-play bundle penetration increased  
65% of customers now subscribe to two or more products  
1.9 RGUs per household <sup>2</sup>

Huib Costermans, CFO eir, said “These are a pleasing set of financial results continuing a recent trend of both top line and bottom line single digit growth. However against a backdrop of increased competitive intensity, we have to continue to make progress on our operational KPIs.”

Revenue in the quarter of €325 million increased by 4% or €12 million compared to the corresponding prior year period. Operating costs<sup>3</sup>, excluding non-cash items for the quarter ended 30 September 2015, were €131 million, in line with the prior year period. EBITDA<sup>4</sup> for the quarter was €120 million, an increase of 6% compared to 30 September 2014.

<sup>2</sup> Total number of fixed voice, broadband, TV and postpay mobile subscriptions divided by number of households with fixed access paths

<sup>3</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>4</sup> EBITDA is earnings before interest, taxation, amortisation, depreciation, non-cash lease fair value credits, non-cash pension charges and exceptional items



In the fixed line segment, revenue for the quarter before intra company eliminations, was €245 million, an increase of 3% compared to the corresponding prior year period. Fixed line EBITDA of €105 million was broadly flat, decreasing by €1 million or 1% in the quarter compared to the prior year period. Fixed line net access losses for the quarter ended 30 September 2015 were 16,000<sup>5</sup>.

The total group broadband customer base<sup>6</sup> was 798,000 at 30 September 2015, growing by 16,000 in the quarter and 66,000 in the last twelve months. The retail broadband base was 453,000 at the end of September 2015, broadly flat on the same period last year. However, the slight decline in broadband lines in our retail base has been more than compensated by gains in our wholesale business. Wholesale broadband connections grew by 17,000 during the quarter and 71,000 compared to 30 September 2014, bringing the total wholesale broadband lines to 344,000 lines at the end of September 2015.

A total of 326,000 customers were using our fibre based high speed broadband services at the end of the quarter. This represents 41% of the group's broadband customer base and a 24% penetration of all premises that our network passes throughout the country.

In the mobile segment, EBITDA for the quarter has grown to €15 million, increasing from €8 million in the prior year quarter. Mobile revenue was €91 million for the quarter, 5% higher compared to the same prior year period and EBITDA margin was 17%.

The Group added 25,000 customers in the last twelve months to our mobile base, which stood at 1,090,000 customers at the end of September. There have been 45,000 net additions in the higher value postpaid segment since 30 September 2014, and postpaid customers accounted for 45% of the overall base, up from 41% in the corresponding period last year. The prepaid customer base decreased by 3,000 to 604,000 in the quarter ended 30 September 2015.

ENDS

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<sup>5</sup> Combined Retail and Wholesale net access line losses

<sup>6</sup> Combined Retail and Wholesale excluding LLU



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