

FIRST QUARTER RESULTS ANNOUNCEMENT TO 30 SEPTEMBER 2016

First Quarter Financial Update



Underlying revenue up €5m or 2% year on year
Reported revenue growth of €2m or 1% year on year



EBITDA of €122m, up €2m or 1% year on year



Operating costs¹ reduced €5m or 4% year on year

Business update



1.6 million premises passed

68% premises passed with fibre technologies

29% take up of high speed broadband



34,000 homes and businesses with access to FTTH



53% of broadband base now on fibre



88% 4G population coverage

Corporate update

Reprice of Senior Loan Facility from E+ 4.5% to E+ 4%

€51m gross debt repayment

Combined refinancing will result in annual interest savings of €27m

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

(Issued Thursday 3 November 2016) eir today announced results for the first quarter ended 30 September 2016. Commenting on today's announcement, Richard Moat, CEO eir, said: "The group continues to deliver solid results. We have continued to grow revenue and EBITDA during the first quarter. Underlying revenue grew by 2% or €5 million and EBITDA increased by 1% year on year.

"We are delivering strong value propositions to our customers and we remain focussed on providing products and services that enhance everyday business and personal interactions. Our current bundles include a range of exclusive eir sport content for our broadband customers and we plan to increase this content in the future. Customer service improvements remain a key strategic priority for the business. We have implemented a number of new processes and initiatives that will deliver further improvements in this important area.

"We are firmly committed to our investment in fibre, particularly our rural 300,000 rollout programme which will be completed by the end of 2018. This means 1.9 million homes and businesses, or over 80% of all premises in Ireland, will have access to high-speed broadband in just over two years. To date, we have spent €415 million on our fibre network passing 68% of Irish premises, and a total of €1.3 billion on investment in the past three years. Our complementary mobile infrastructure, offering high-speed mobile data is available to 88% of the population.

"This is a positive set of results, and we remain on track to meet our full year guidance."



Trading Update



Strong broadband growth

867,000 broadband connections, up 13,000 in the quarter



TV growth

eir Vision base at 58,000 customers, up 8% in the quarter

28% take up by consumer fibre base



Stable mobile base with improving mix of customers

1,066,000 total mobile customers

47% of customers are on postpay contracts, up 2p.p. year on year

Data usage increased by 48% YoY



Household Revenue Generating Units (RGUs) growing

3P/4P bundle penetration increased to 22%, up 5 p.p year on year

2.1 RGUs per household

Huib Costermans, CFO eir, said: “These are an encouraging set of financial results with continued revenue and EBITDA growth, notwithstanding the impact of regulatory price reductions coupled with a weakening of sterling that reduced our reported revenue growth by €3 million. We remain committed to delivering efficiencies in our cost base, and have reduced our operating costs by 4% year on year. We have secured a further €10 million in annual interest costs by repricing our senior loan facilities and repaying €51 million in gross debt. Including our previous refinancing activities, the total annualised interest cost savings amount to €27 million. This is a good start to the financial year, but we remain focused on delivering improved operational KPIs against the backdrop of a very competitive market”.

Reported revenue in the quarter of €327 million increased by 1% or €2 million compared to the corresponding prior year period. Operating costs for the quarter ended 30 September 2016 were €126 million, a reduction of 4% compared with the

same quarter last year. EBITDA for the quarter was €122 million, an increase of 1% compared to the corresponding prior year period.

In the fixed line segment, revenue (before intra company eliminations) for the quarter ended 30 September 2016 was €249 million, a 2% increase when compared to the quarter ended 30 September 2015. Fixed line EBITDA of €109million for the quarter ended 30 September 2016 increased by 4% year on year.

The total group broadband customer base was 867,000 at 30 September 2016, growing by 13,000 in the quarter and 69,000 or 9% compared to the prior year period. Wholesale broadband connections grew by 19,000 during the quarter and 80,000 compared to the prior year comparative period, bringing the total wholesale broadband lines to 424,000 lines at the end of September 2016. The retail broadband base decreased by 5,000 in the quarter to a total of 443,000 customers.

463,000 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 138,000 since September 2015. Over 53% of our broadband customers are connected to our fibre network, which represents a 29% penetration of fibre premises passed. Fixed line net access losses for the quarter and twelve months ended 30 September 2016 were 12,000 and 31,000 respectively, a significant improvement when compared to losses of 16,000 and 73,000 for the quarter and twelve months ended 30 September 2015.

In the mobile segment, EBITDA for the quarter of €13 million decreased by €2 million compared to the prior year quarter. Mobile revenue (before intra company eliminations) was €88 million for the quarter, a decrease of €3 million when compared to the same period of the prior year. Adjusting for the impact of MTR regulatory price changes, mobile revenue declined by €1 million year on year. This was mainly driven by increased promotional activity and bundling. Mobile EBITDA margin was 15% for the quarter ended 30 September 2016 and in line with expectations.

The Group mobile customer base increased by 6,000 in the quarter to a total of 1,066,000 customers, driven by growth in our pre-pay segment. Our mobile base now includes 47% postpay customers, up 2 p.p year on year.

In summary, the results achieved continue to show progress and are in line with expectations. We remain on track to achieve our full year guidance.

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

Niall Quinn
The Reputations Agency
Deputy Managing Director
Tel: +353 1 661 8915
Mob: +353 86 827 4829
Niall@thereputationsagency.ie

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/>

3 November 2016